

# UTAH COUNTIES INSURANCE POOL

## BOARD OF TRUSTEES MEETING

Thursday, February 17, 2011, 12:00 p.m.

UCIP Offices, 10980 S. Jordan Gateway, South Jordan, UT

## AGENDA

12:00 Lunch Provided

12:30 Call to Order

Kay Blackwell

### ITEM ACTION

1 Review/Excuse Board Members Absent

Kay Blackwell

2 Approve January 20, 2011 Meeting Minutes

Steve Wall

3 Annual Workers Compensation Report

Kathryn Clark

4 Appoint Trustees to *Committees of the Board*

Kay Blackwell

5 Ratification and Approval of Payments and Credit Card Transactions

Steve Wall

6 Review/Approve Draft 2010 Actuarial Reserve Analysis

Johnnie Miller

7 Review Preliminary 2010 Financial Statements

Sonya White, Johnnie Miller

8 Set Date and Time for Closed Meeting  
to Discuss Character, Professional Competence, Physical/Mental Health of an Individual

Kay Blackwell

9 Action on Personnel Matters

Kay Blackwell

10 Set Date and Time for Closed Meeting  
to Discuss Pending or Reasonably Imminent Litigation

Kay Blackwell

11 Action on Litigation Matters

Kent Sundberg

12 Review/Approve Policy on Gifts

Johnnie Miller

13 Review/Approve Membership Applicants

Johnnie Miller

### INFORMATION

14 Trustee Conflict of Interest Affirmation

Sonya White

15 Chief Executive Officer's Report

Johnnie Miller

16 Loss Control Manager's Report

Mark Brady

17 Other Business

Kay Blackwell

Electronic Meeting Notice: 888-447-7153, Participant Passcode: 2261240





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Notice Title:

Board of Trustees Meeting

Government Type:

Special Districts

Entity:

Utah Counties Insurance Pool

Public Body Name:

Board of Trustees

Notice Subject:

Insurance

Notice Type:

Meeting

Street Address:

10980 S. Jordan Gateway

Street Address continued:

City:

South Jordan

Zip:

84095

Start Date:

02/17/11 12:00 PM

End Date:

02/17/11 4:00 PM

Description / Agenda:

Lunch Provided

Call to Order

Review/Excuse Board Members Absent

Approve January 20, 2011 Meeting Minutes

Annual Workers Compensation Report

Appoint Trustees to Committees of the Board

Ratification and Approval of Payments and Credit Card Transactions

Review/Approve Draft 2010 Actuarial Reserve Analysis

Review Preliminary 2010 Financial Statements

Set Date and Time for Closed Meeting

to Discuss Character, Professional Competence, Physical/Mental Health of an Individual

Action on Personnel Matters

Set Date and Time for Closed Meeting

to Discuss Pending or Reasonably Imminent Litigation

Action on Litigation Matters

Review/Approve Policy on Gifts

Review/Approve Membership Applicants

Trustee Conflict of Interest Affirmation

Chief Executive Officer's Report  
Loss Control Manager's Report  
Other Business

**ADA:**

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Insurance Pool, PO Box 760, Midvale, UT 84047, or call 800-339-4070, at least three days prior to the meeting.

**Electronic Participation:**

Any Member of the Utah Counties Insurance Pool Board of Trustees may participate telephonically.

**Other:**

**Emergency Notice:**

No

**Send copy of notice to:**

editor@sltrib.com

**Attachments**

There are attachments associated with this notice.

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Utah Counties Insurance Pool  
*Supporting Your Goals Since 1992*

## **BOARD OF TRUSTEES MEETING MINUTES**

February 17, 2011, 12:30 p.m.  
UCIP Offices, South Jordan, UT

### **BOARD MEMBERS PRESENT**

Kay Blackwell, *President*, Piute County Commissioner  
Jim Eardley, *Vice President*, Washington County Commissioner  
Steve Wall, *Secretary-Treasurer*, Sevier County Clerk-Auditor  
Bruce Adams, San Juan County Commissioner  
Craig Dearden, Weber County Commissioner  
Jerry Hurst, Tooele County Commissioner  
Bret Millburn, Davis County Commissioner  
Cameron Noel, Beaver County Sheriff  
Kent Sundberg, Utah County Deputy Attorney

### **BOARD MEMBER VIA TELEPHONIC CONFERENCE**

Karla Johnson, Kane County Clerk-Auditor

### **BOARD MEMBERS ABSENT**

Gary Anderson, Utah County Commissioner  
Brad Dee, Weber County Human Resources Director  
Marilyn Gillette, Tooele County Clerk

### **OTHERS PRESENT**

Mike Bowman, WCF Claims Manager  
Kathryn Clark, WCF Manager of Safety  
Blake Green, WCF Vice President  
Ray Pickup, WCF President  
Mark Brady, UCIP Loss Control Manager  
Johnnie Miller, UCIP Chief Executive Officer  
Sonya White, UCIP Manager of Administration

### **Call to Order**

Kay Blackwell called this meeting of the Utah Counties Insurance Pool Board of Trustees to order at 12:30 p.m. on February 17, 2011 and welcomed all in attendance.

### **Review/Excuse Board Members Absent**

Jim Eardley made a motion to excuse Gary Anderson, who is having knee surgery, and Brad Dee and Marilyn Gillette who are involved with the legislature today. Craig Dearden seconded the motion, which passed unanimously.

### **Approve January 20 Meeting Minutes**

The minutes, of the Board of Trustees meeting held January 20, 2011, were previously sent to the Board Members for review. Steve Wall made a motion to approve the January 20, 2011 meeting minutes as written. Jim Eardley seconded the motion, which passed unanimously (see attachment number one).

### **Annual Workers Compensation Report**

Blake Green reported that although the UCIP Group experienced three death losses in 2010, Workers Compensation Fund held renewal pricing fairly tight since UCIP Counties are actively participating in safety programs. Ray Pickup reported on the current condition of the Fund, Mike Bowman explained programs provided to employees and Kathryn Clark reviewed the 2010 statistics (see attachment number two).

#### **Appoint Trustees to Committees of the Board**

Jim Eardley made a motion to appoint the following Trustees to the Audit Committee: Steve Wall (Chair), Craig Dearden, Jerry Hurst and Kent Sundberg. Governance Committee: Bruce Adams (Chair), Marilyn Gillette, Karla Johnson, Bret Millburn, Kent Sundberg and Steve Wall. Nominating Committee: Jim Eardley (Chair), Gary Anderson and Kay Blackwell. Personnel Committee: Brad Dee (Chair), Kay Blackwell and Cameron Noel. Also, the Law Enforcement Committee Members are appointed as follows: Cameron Noel (Chair), James Cordova, Robert Dekker, Alden Orme, Lynn Nelson and James Tracy. Steve Wall seconded the motion, which passed unanimously.

#### **Ratification and Approval of Payments and Credit Card Transactions**

Steve Wall reviewed the payments made, payments to be made (see attachment number three) and credit card transactions with the Board. Steve Wall made a motion to approve the payments made, payments to be made and credit card transactions. Craig Dearden seconded the motion, which passed unanimously.

#### **Review/Approve Draft 2010 Actuarial Reserve Analysis**

The draft 2010 Actuarial Reserve Analysis was previously sent to the Board Members for review (see attachment number four). Steve Wall made a motion to approve the *Expected* reserve level (page three) at \$6,320,000. This provides for a 70% confidence level on reserves booked on the financial statements. Jim Eardley seconded the motion, which passed unanimously.

#### **Review Preliminary 2010 Financial Statements**

The preliminary 2010 financial statements were previously sent to the Board Members for review (see attachment number five). Jim Eardley made a motion to accept the preliminary 2010 unaudited financial statements to be presented to the auditors. Craig Dearden seconded the motion, which passed unanimously.

#### **Set Date and Time for Closed Meeting**

Jerry Hurst made a motion to strike agenda item: *Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual*. Bret Millburn seconded the motion, which passed unanimously.

#### **Action on Personnel Matters**

Jerry Hurst made a motion to strike agenda item: Action on Personnel Matters. Bret Millburn seconded the motion, which passed unanimously.

#### **Set Date and Time for Closed Meeting**

Steve Wall made a motion to set date and time for a closed meeting to discuss pending or reasonably imminent litigation at 2:15 p.m. on February 17, 2011. Jerry Hurst seconded the motion, which passed unanimously. Board Members present at the closed meeting were: Kay Blackwell, Jim Eardley, Steve Wall, Bruce Adams, Craig Dearden, Jerry Hurst, Bret Millburn, Cameron Noel and Kent Sundberg. Karla Johnson participated via telephonic conference. Mark Brady, Johnnie Miller and Sonya White were also present.

The regular meeting resumed at 2:30 p.m. on February 17, 2011.

#### **Action on Litigation Matters**

Kent Sundberg made a motion to approve the Claims Manager's settlement authority at \$50,000 and the Chief Executive Officer's settlement authority at \$100,000. Craig Dearden seconded the motion, which passed unanimously.

Kent Sundberg made a motion to approve Endorsement Number 25, Exclusion and Limited Coverage for Securities Claims (see attachment number six). Steve Wall seconded the motion, which passed unanimously.

### Review/Approve Policy on Gifts

This item was tabled until the next meeting.

### Review/Approve Membership Applicants

The Interlocal Agreement creating the Washington County/St. George Interlocal Agency (WCIA), to operate and maintain the Dixie Center, was previously sent to the Board Members for review (see attachment number seven). Steve Wall made a motion to approve the WCIA as a non-voting, non-equity Member of the Pool. Kent Sundberg seconded the motion, which passed unanimously.

The Resolution establishing the Tooele County Recreation Special Service District was previously sent to the Board Members for review (see attachment number eight). Jerry Hurst made a motion to approve the Tooele County Recreation Special Service District as a non-voting, non-equity Member of the Pool. Bruce Adams seconded the motion, which passed unanimously.

### Trustee Conflict of Interest Affirmation

Pursuant to Article 14 of the Bylaws, Board Members were provided with a Conflict of Interest and Disclosure to be signed and notarized.

### Chief Executive Officer's Report

Johnnie Miller provided an update on the bills that may affect counties and the Pool during this legislative session including but not limited to: Medical Expenses for Inmates, Motor Pools, Certificates of Coverage, the Money Management Act and Inducements.

Wells Fargo and Zions have contacted the Pool to explain that their investments for public entities are earning one percent more than the PTIF. The Board directed Johnnie Miller to have Wells Fargo and Zions make a presentation to the Board at its next meeting. Johnnie suggested that if the Pool is unable to achieve reasonable investment income, then the Pool should consider legislation to become exempt from the Utah Money Management Act.

Utah Risk Management Mutual Association (URMMA) approached the Pool about the possibility of its members joining UCIP's program with the Workers Compensation Fund in an effort to build the account and get a larger volume discount. The Board directed Johnnie Miller to continue discussions with URMMA to expand the group for workers compensation coverage.

Johnnie Miller explained that Morgan and Rich Counties have yet to pay their member contributions for 2011. Staff is working with these counties but if the contributions are not paid, membership termination will need to be addressed.

Johnnie Miller and Mark Brady were asked to meet and met with the Auditor General to discuss predatory pricing, underwriting procedures and business practices in regards to a performance audit being conducted on a 'mutual' insurance company in Utah.

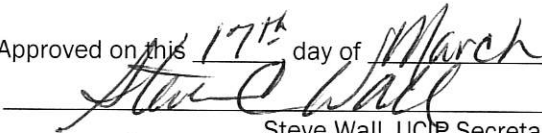
### Loss Control Manager's Report

Mark Brady reported on the status of the upcoming Facilities Management Conference scheduled for March 22-23 and the Planning and Zoning Conference scheduled for April 26-27. Both Conferences will be held in Utah County (Provo).

Mark Brady explained that equestrian issues have been surfacing involving the upcoming county fairs. These types of events must have waivers and indemnification agreements. The Board recommended training again for the fair planners/coordinators.

### Other Business

The next meeting of the Board of Trustees is scheduled for March 17, 2011 at 12:00 p.m. at the UCIP Offices in South Jordan.

Approved on this 17<sup>th</sup> day of March 2011  
  
Steve Wall, UCIP Secretary-Treasurer





## Utah Counties Insurance Pool

### 2010 Workers Compensation Claims & Safety Service Review

WCF

### Utah Counties Insurance Pool Workers Compensation Safety Services Completed 2010

- Initial contact and safety service offerings
  - WCF Safety Training Schedule brochure
  - WCF Safety Program & Cost Control Guidebook
  - WCF Safety & Health consultant's business card
- Introduced the WCF website
- Monthly WCF Safety electronic newsletter
- Individualized Safety service plans were implemented for 15 of the 18 UCIP members.

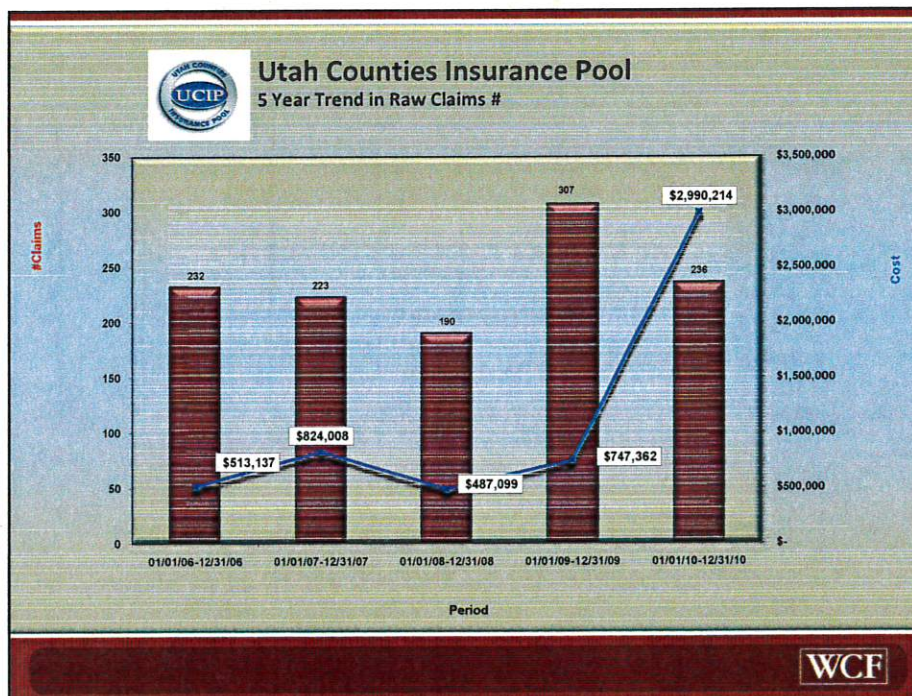
WCF



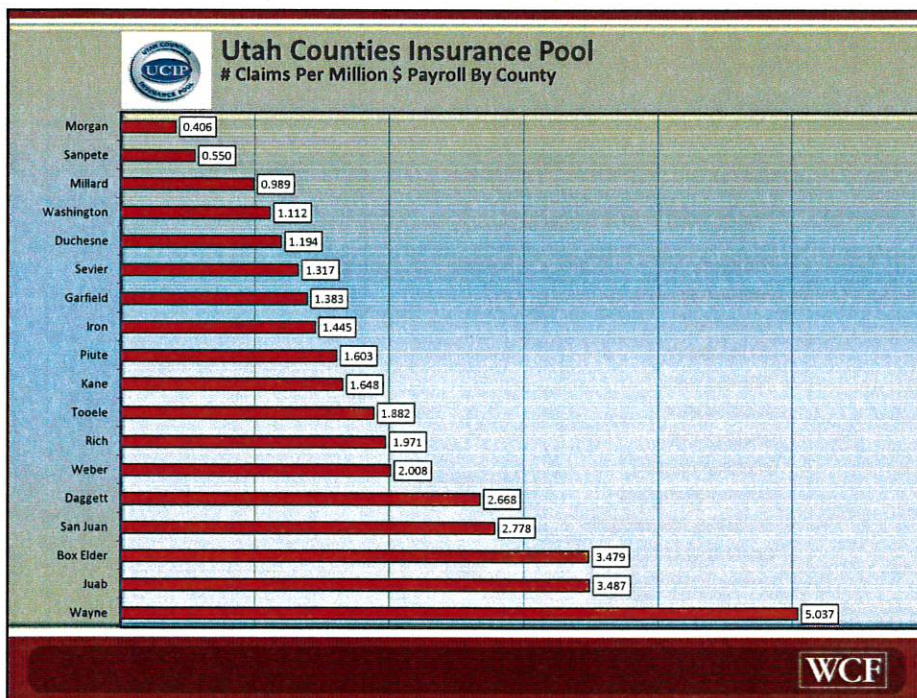
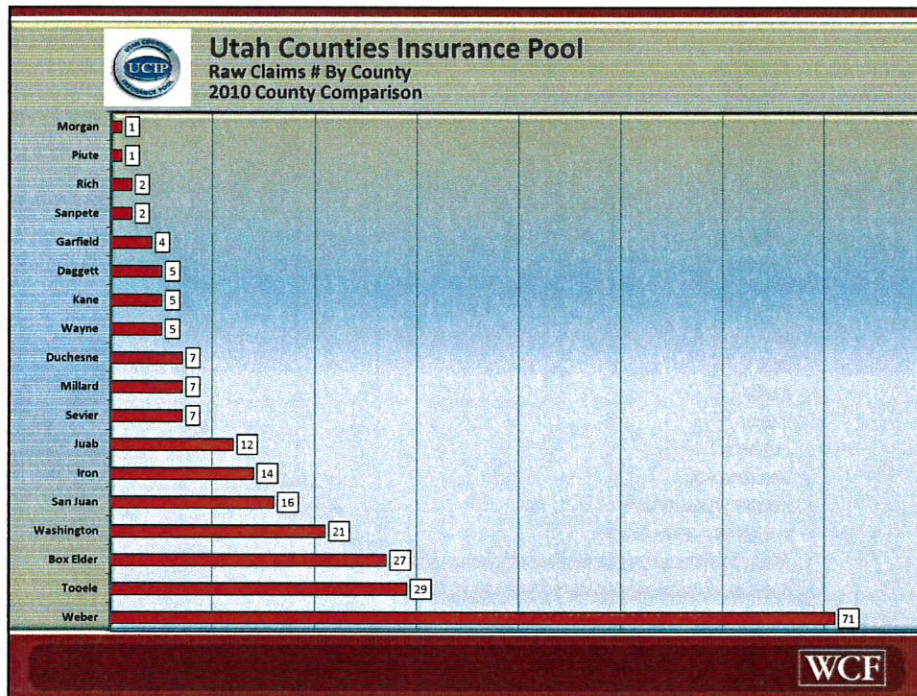
## Utah Counties Insurance Pool Workers Compensation Safety Services Completed 2010

- WCF Safety Management review of UCIP Risk Awareness training program.
- WCF Pure Safety Online Safety Training.
- WCF Safety Success Balanced Scorecard.
- WCF Presented information on Risk and Loss Control at the UCIP Risk Management Conference in Cedar City.

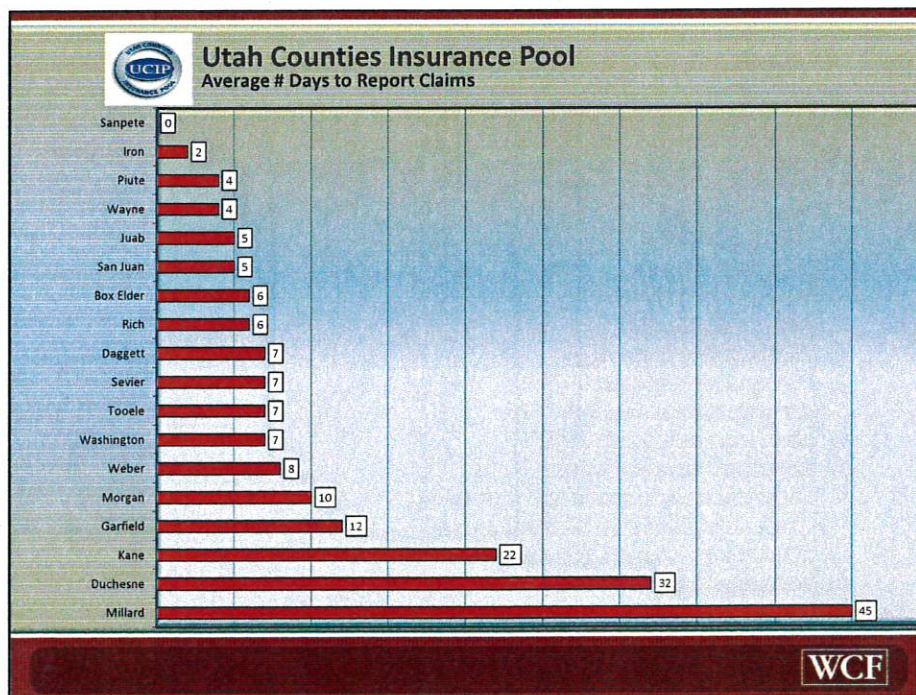
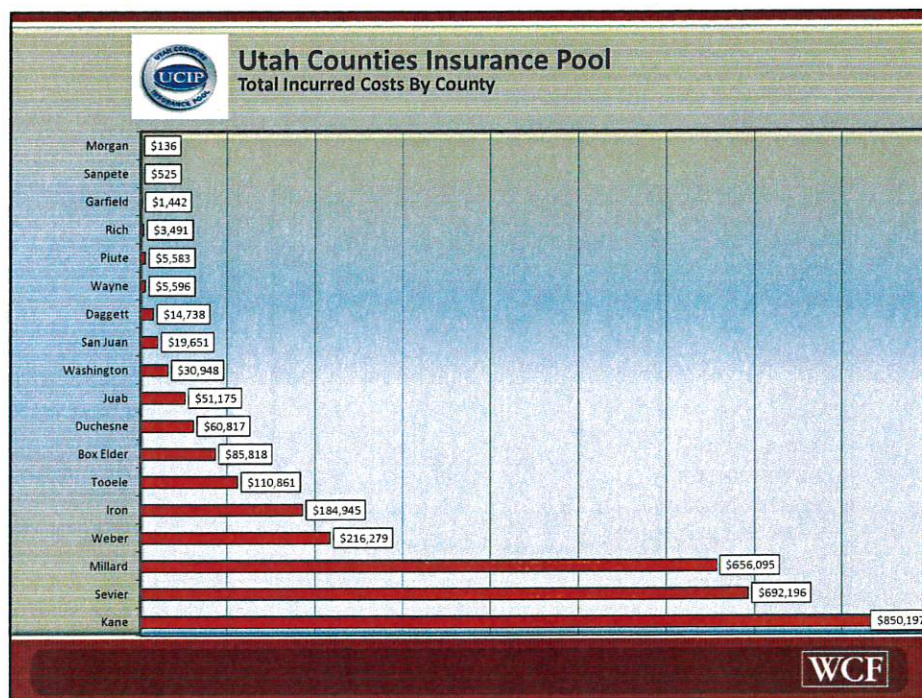
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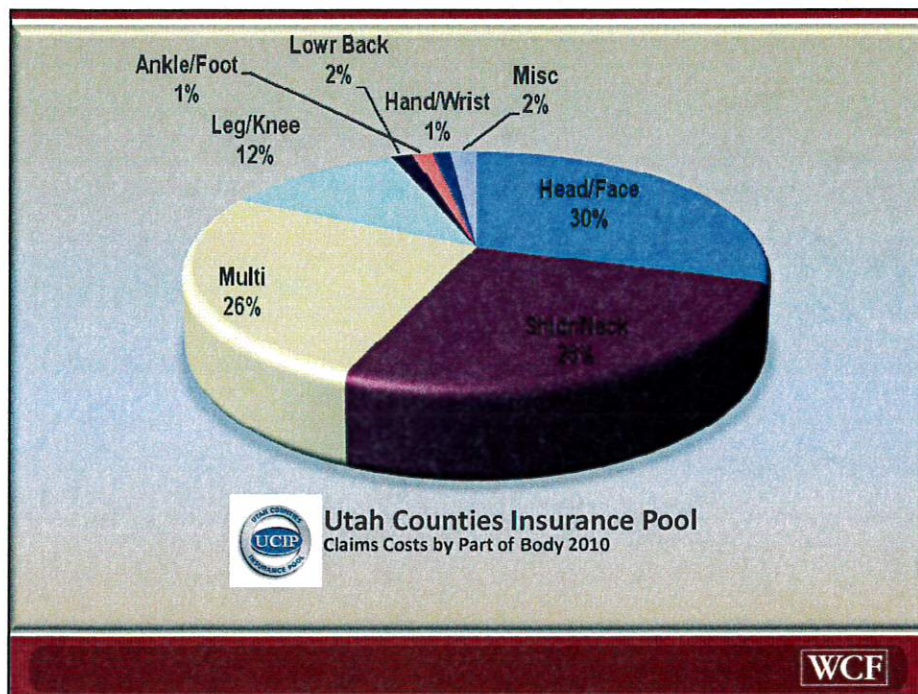
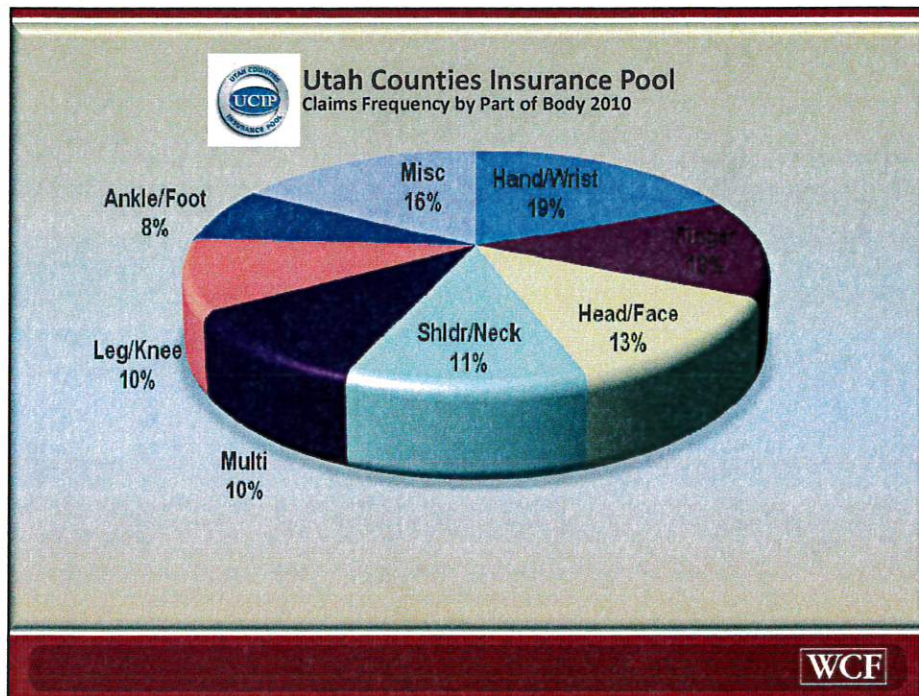
UTAH COUNTIES INSURANCE POOL						
One Year History 2010						
County Name	Policy Number	Medical Only	Indemnity	Total # of Claims	Total Cost	Average Cost
Box Elder	1636916	27	2	29	\$ 85,910.30	\$ 2,962.42
Daggett	1636961	9	0	9	\$ 14,738.44	\$ 1,637.60
Duchesne	1147164	7	2	9	\$ 61,311.34	\$ 6,812.37
Garfield	1637029	4	0	4	\$ 1,442.05	\$ 360.51
Iron	1637032	15	3	18	\$ 185,151.73	\$ 10,286.21
Juab	1637045	9	3	12	\$ 51,175.01	\$ 4,264.58
Kane	1638174	3	2	5	\$ 850,196.86	\$ 170,039.37
Millard	2118987	7	2	9	\$ 656,095.22	\$ 72,899.47
Morgan	1637061	1	0	1	\$ 135.88	\$ 135.88
Piute	1637074	0	1	1	\$ 5,583.43	\$ 5,583.43
Rich	1637090	1	1	2	\$ 3,491.15	\$ 1,745.58
San Juan	1637133	16	1	17	\$ 19,650.88	\$ 1,155.93
Sanpete	1637117	3	0	3	\$ 525.18	\$ 175.06
Sevier	1637104	9	2	11	\$ 692,196.01	\$ 62,926.91
Tooele	2119768	30	2	32	\$ 110,861.32	\$ 3,464.42
Washington	1637234	19	2	21	\$ 30,948.17	\$ 1,473.72
Wayne	1637247	5	0	5	\$ 5,596.35	\$ 1,119.27
Weber	2053567	74	8	82	\$ 215,503.19	\$ 2,628.09
<b>TOTAL:</b>		<b>239</b>	<b>31</b>	<b>270</b>	<b>\$ 2,990,512.51</b>	<b>\$ 11,075.97</b>

WCF

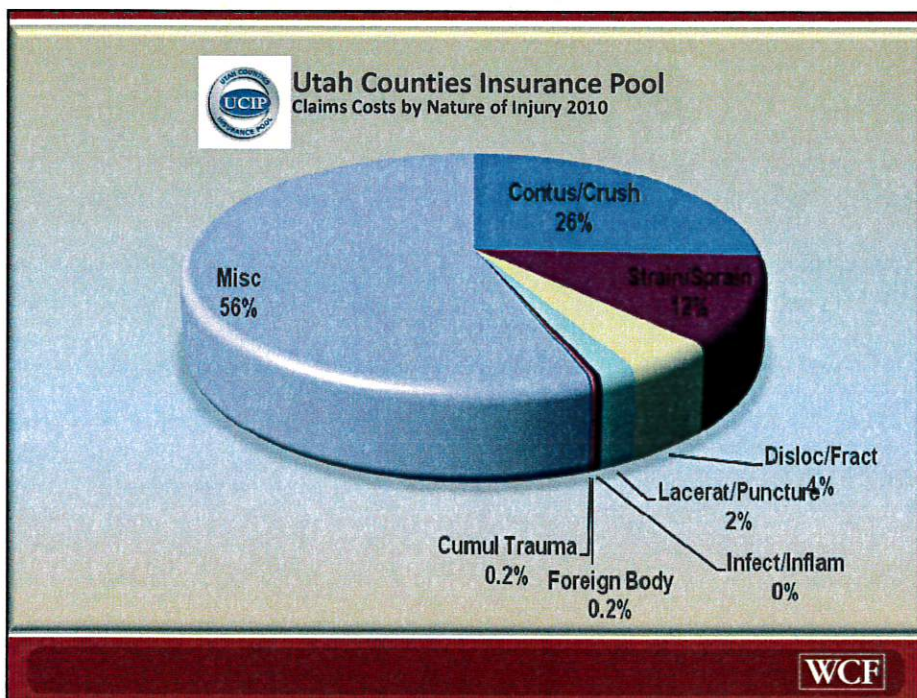
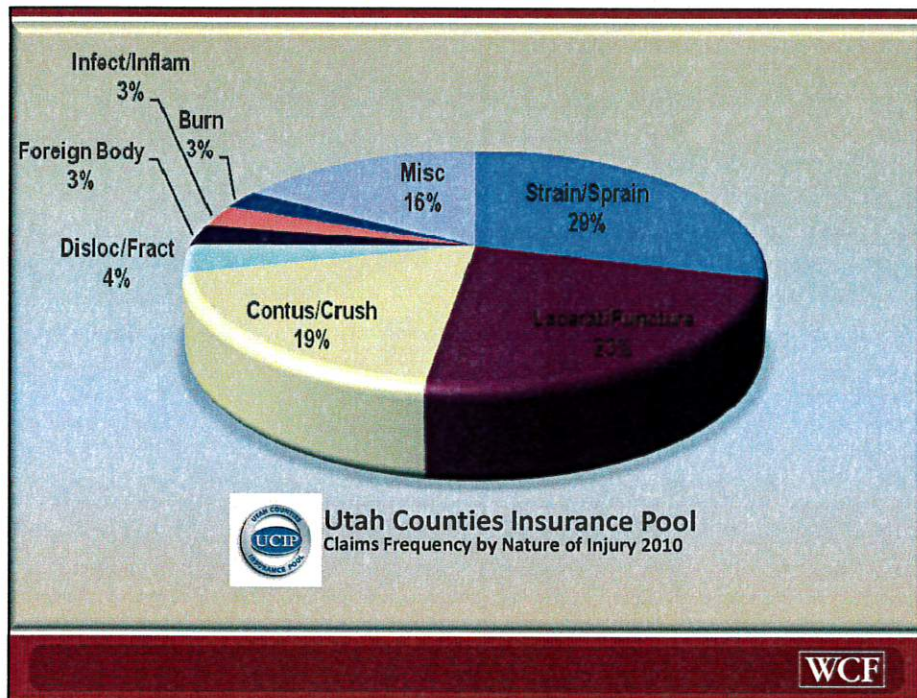
UTAH COUNTIES INSURANCE POOL						
Five Year History 2006-2010						
County Name	Policy Number	Medical Only	Indemnity	Total # of Claims	Total Cost	Average Cost
Box Elder	1636916	96	16	112	\$ 565,586.67	\$ 5,049.88
Daggett	1636961	23	2	25	\$ 29,394.01	\$ 1,175.76
Duchesne	1147164	51	5	56	\$ 129,249.26	\$ 2,308.02
Garfield	1637029	21	1	22	\$ 38,177.64	\$ 1,735.35
Iron	1637032	136	12	148	\$ 491,630.64	\$ 3,321.83
Juab	1637045	35	7	42	\$ 102,074.41	\$ 2,430.34
Kane	1638174	26	10	36	\$ 985,990.05	\$ 27,388.61
Millard	2118987	56	9	65	\$ 775,522.64	\$ 11,931.12
Morgan	1637061	6	2	8	\$ 18,891.25	\$ 2,361.41
Piute	1637074	0	2	2	\$ 44,946.96	\$ 22,473.48
Rich	1637090	6	1	7	\$ 3,821.68	\$ 545.95
San Juan	1637133	59	4	63	\$ 64,195.03	\$ 1,018.97
Sanpete	1637117	19	3	22	\$ 41,986.99	\$ 1,908.50
Sevier	1637104	64	4	68	\$ 776,170.35	\$ 11,414.27
Tooele	2119768	123	17	140	\$ 263,176.20	\$ 1,879.83
Washington	1637234	94	11	105	\$ 560,696.47	\$ 5,339.97
Wayne	1637247	53	1	54	\$ 14,199.55	\$ 262.95
Weber	2053567	338	25	363	\$ 657,063.55	\$ 1,810.09
<b>TOTAL:</b>		<b>1206</b>	<b>132</b>	<b>1338</b>	<b>\$ 5,562,773.35</b>	<b>\$ 4,157.53</b>

WCF

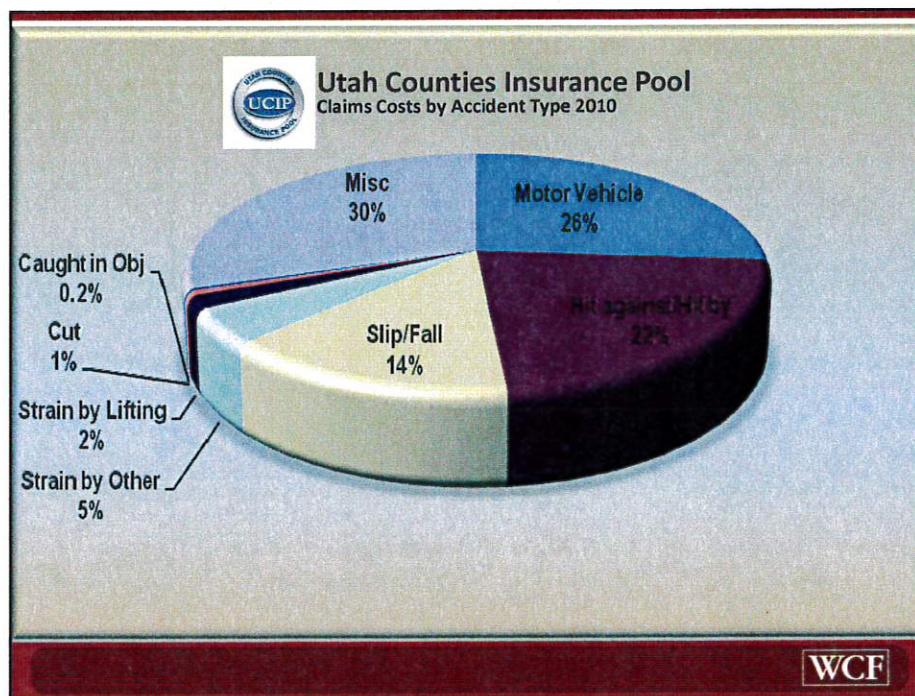
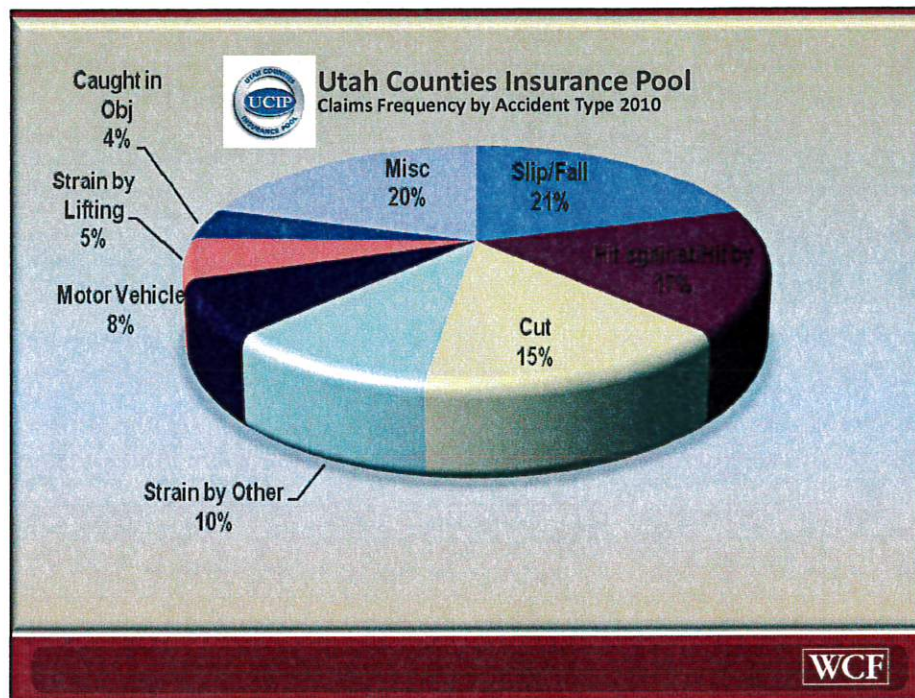












## UCIP Proposed Safety Service 2011

- Individualized Safety Service Plans offered for UCIP county members.
- "Safety for Municipalities: A Safety Roundtable" is on the WCF Safety Seminar Schedule for 2011.
- Offer to host a Risk Management Conference is still open.
- Access to Risk Management Dashboard on WCF website at [www.wcfgroup.com](http://www.wcfgroup.com)
- WCF Safety Success Balanced Scorecard.
- WCF Safety Culture Assessment Survey.









Utah Counties Insurance Pool  
*Serving Counties Since 1992*

## STANDING COMMITTEES

### COMMITTEES of the BOARD

#### AUDIT

- Steve White, *Chair*, Utah County Commissioner
- Jerry Hurst, Tooele County Commissioner
- Kent Sundberg, Utah County Deputy Attorney
- Steve Wall, Sevier County Clerk-Auditor

#### GOVERNANCE

- Ken Bischoff, *Chair*, Weber County Commissioner
- Bruce Adams, San Juan County Commissioner
- Jerry Hess, Davis County Deputy Attorney
- Kent Sundberg, Utah County Deputy Attorney
- Steve Wall, Sevier County Clerk-Auditor
- Steve White, Utah County Commissioner

#### NOMINATING

- Jim Eardley, *Chair*, Washington County Commissioner
- Karla Johnson, Kane County Clerk-Auditor
- Wayne Smith, Iron County Commissioner

#### PERSONNEL

- Brad Dee, *Chair*, Weber County HR Director
- Kay Blackwell, Piute County Commissioner
- LaMar Guymon, Emery County Sheriff

### COMMITTEES of the MEMBERS

#### LAW ENFORCEMENT

- LaMar Guymon, *Chair*, Emery County Sheriff
- James Cordova, Carbon County Sheriff
- Bud Cox, Davis County Sheriff
- Alden Orme, Juab County Sheriff
- Brad Slater, Weber County Sheriff
- Kirk Smith, Washington County Sheriff

#### LITIGATION MANAGEMENT

- Kent Sundberg, *Chair*, Utah County Deputy Attorney
- Brock Belnap, Washington County Attorney
- David Blackwell, Emery County Attorney
- Dale Eyre, Sevier County Attorney
- Doug Hogan, Tooele County Attorney
- James Swink, Cache County Attorney
- Dave Wilson, Weber County Deputy Attorney

#### PERSONNEL

- Brad Dee, *Chair*, Weber County HR Director
- Pam Ayala, Tooele County Human Resources Director
- Paul Barton, Beaver County Clerk-Auditor
- Valeen Brown, Piute County Clerk-Auditor
- Cyndi Eldridge, San Juan County HR/Personnel Director
- Colette Eppley, Iron County Personnel
- Rhonda Gant, Kane County HR
- Brandy Grace, Millard County Auditor
- Lana Jensen, Utah County Personnel Director
- Mary Huntington, Emery County Personnel
- Peggy Madsen, Box Elder County Personnel Director
- Carrie Mascaro, Duchesne County Personnel
- Joe McKea, Uintah County HR Director/Risk Manager
- Camille Moore, Garfield County Clerk-Auditor
- Ilene Roth, Sanpete County Auditor
- David Rowley, Wasatch County HR
- Mike Seely, Juab County Administrator
- Jim Smith, Cache County Personnel Director
- Ryan Torgerson, Wayne County Clerk-Auditor
- Steve Wall, Sevier County Clerk-Auditor
- John Willie, Washington County Administrator





# Utah Counties Insurance Pool

## Payments

January 21 - February 17, 2011

Type	Date	Num	Name	Memo	Amount
<b>ML Expense</b>					
Liability Check	1/28/2011		QuickBooks Payroll Service	Created by Payroll Services on 01/26/2011	-13,347.66
Liability Check	2/14/2011		QuickBooks Payroll Service	Created by Payroll Services on 02/04/2011	-13,344.21
Liability Check	1/31/2011	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270143202927409	-5,042.22
Liability Check	1/31/2011	ONLINE	Utah Retirement Systems	Unit No: 864 (JAN 2011)	-6,695.91
Liability Check	1/31/2011	ONLINE	Nationwide Retirement Solutions	Entity: 644013	-2,115.34
Liability Check	2/15/2011	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270144625544692	-5,042.16
Check	1/26/2011	VISA	Wells Fargo	Account Number: 4856 2002 0869 3567	-542.59
Check	1/26/2011	VISA	Wells Fargo	Account Number: 4856 2002 0646 9796	-892.25
Check	1/31/2011	5853	PEHP-LTD	Coverage Period: January 2011	-234.31
Liability Check	1/31/2011	5854	Utah State Tax Commission	Account ID: 12327158003WTH	-1,685.60
Liability Check	1/31/2011	5855	Public Employees Health Program	Policy Number 1076 (JAN)	-7,204.00
Check	1/31/2011	5856	Brad Dee	Mileage Reimbursement	-54.06
Check	1/31/2011	5857	Steven Wall	Mileage Reimbursement	-149.94
Check	1/31/2011	5858	Kay Blackwell	Expense Reimbursement	-195.84
Check	1/31/2011	5859	Bruce Adams	Expense Reimbursement	-311.43
Check	1/31/2011	5860	Craig Dearden	Mileage Reimbursement	-51.00
Check	1/31/2011	5861	Jim Eardley	Mileage Reimbursement	-306.00
Check	1/31/2011	5862	Kent Sundberg	Mileage Reimbursement	-40.80
Check	1/31/2011	5862	Jerry Hurst	Mileage Reimbursement	-45.90
Check	1/31/2011	5863	By The Numbers Actuarial Consulting, Inc.	Invoice Number: 2011-021	-5,000.00
Bill Pmt -Check	1/31/2011	5864	DRI	VOID: ID Number: 262898	0.00
Bill Pmt -Check	1/31/2011	5865	Mountain View Software	Invoice Number: 14120	-6,600.00
Bill Pmt -Check	1/31/2011	5866	Paetec	Invoice Number: 2100194	-682.59
Bill Pmt -Check	1/31/2011	5867	Society of CIC	Alliance Member: 1039119	-90.00
Bill Pmt -Check	1/31/2011	5868	Revco Leasing Company, LLC	Invoice Number: 256999	-815.89
Bill Pmt -Check	2/1/2011	5869	Western AgCredit	Invoice Number: 2-2011	-10,788.00
Bill Pmt -Check	2/1/2011	5870	Johnnie R. Miller	VOID: Payroll Liabilities	0.00
Check	2/4/2011	5871	Johnnie Miller		-79.81
Liability Check	2/17/2011	5872	Public Employees Health Program	Policy Number 1076 (JAN)	-131.04
Liability Check	2/17/2011	5873	Jennie Thacker	TULJP Refund (Overpay) Craft Show Event	-51.50
Check	2/17/2011	5874	Opticare of Utah	Invoice Number: 5567	-76.02
Liability Check	2/17/2011	5875	Office Depot	Invoice Number: 550641421001	-33.47
Bill Pmt -Check	2/17/2011	5876	Arthur J. Gallagher & Co.	Invoice Number: 94344	-100.00
Bill Pmt -Check	2/17/2011	5877	End Point Corporation	Invoice Number: UC1101	-60.00
Bill Pmt -Check	2/17/2011	5878	John Stimpson	Invoice Number: 102	-625.00
Bill Pmt -Check	2/17/2011	5879	LexisNexis Matthew Bender	Account Number: 0099007508	-386.10
Bill Pmt -Check	2/17/2011	5880	Office Depot	Invoice Number: 550641423001	-16.40
Bill Pmt -Check	2/17/2011	5881			
Total ML Expense					-82,837.04
<b>TOTAL</b>					<b>-82,837.04</b>



***UTAH COUNTIES INSURANCE POOL***

**ACTUARIAL REPORT**

**PURPOSE**

By the Numbers Actuarial Consulting, Inc. (BYNAC) prepared this actuarial report to present a professional analysis of the required reserves retained by the Utah Counties Insurance Pool (UCIP) as of 12/31/10 for property and liability claims incurred from 1/1/92 through 12/31/10. UCIP is a non-profit public agency insurance mutual. In addition to property and liability insurance, the pool provided workers compensation insurance from 1/1/04 through 12/31/09 which is not evaluated in this report. The required reserves are estimated excluding and including the effects of anticipated investment income earned on the reserves until they are paid.

The required reserves estimated in this report represent the unpaid claim estimate. The unpaid claim estimate is an estimate of the obligation for future payment from claims due to past events. The estimated required reserves are based on estimates of ultimate incurred losses. Ultimate incurred losses are defined to be the amounts that will be paid to settle all claims occurring during a policy period. These estimates include a provision for the subsequent development of known claims and for claims incurred but not yet reported. Incurred but not reported (IBNR) losses are defined throughout this report to include the additional development on known claims in addition to claims incurred but not yet reported.

The estimated required reserves at the expected level represent the actuarial central estimate.

The actuarial central estimate is an expected value over the range of reasonably possible

outcomes. The range around the actuarial central estimate which reflects the low and high expected values is noted in the report.

## FINDINGS

The findings are the product of loss experience, actuarial assumptions, quantitative analysis, and professional judgment. The estimated required reserves are expressed in terms of ranges that indicate the reliance on assumptions believed to be reasonable and are subject to all the limitations expressed herein.

## ESTIMATED REQUIRED RESERVES

The required reserves shown in the following tables should be used for financial statement reporting as of that date. However, until all the claims that occurred on or before 12/31/10 are closed, the actual reserve need remains an estimate. While the experience of UCIP indicates that the required reserves will fall within the range established in this report, the possibility exists that extraordinary or unexpected circumstances could cause the actual reserve need to be less than or greater than the range. Therefore, the findings cannot be warranted or guaranteed.

### ESTIMATED LOSS AND ALAE RESERVES INCLUDING IBNR FOR 1/1/92-12/31/10 AS OF 12/31/10 (Limited to Specific and Aggregate Retentions)

	Line of Business	Low	Expected	High
Undiscounted for Investment Income	GL	\$4,850,000	\$5,340,000	\$6,320,000
	AL	460,000	580,000	730,000
	Property	340,000	400,000	510,000
	Total	\$5,650,000	\$6,320,000	\$7,560,000
Discounted at 0.5% per Annum	GL	\$4,790,000	\$5,280,000	\$6,240,000
	AL	460,000	580,000	720,000
	Property	340,000	390,000	510,000
	Total	\$5,590,000	\$6,250,000	\$7,470,000

The low and high figures are judgmental and not intended to establish absolute minimums or maximums on the estimates, but rather to depict a reasonable range for the establishment of loss reserves in this particular situation. Figure 1 contains a graphical representation of UCIP's estimated retained loss experience as of 12/31/10 including the undiscounted expected reserves.

As noted, the reserves are estimated on both undiscounted and discounted for investment income bases. UCIP has provided the discount rate of 0.5%. Establishing loss reserves on a discounted basis requires that future investment income earned on the loss reserves be added to the reserves to strengthen them rather than recognized as net income. It also assumes that assets equal to the present value of the reserves are available for investment as of the 12/31/10 evaluation date. The accuracy of discounted reserves depends upon the accuracy of the undiscounted estimates, the estimated payout schedule, and the interest rate assumption used to discount the loss payout schedule. If the discounted estimate is used, the management of UCIP should carefully review each of these assumptions to assure that they are in agreement with them.

## **COMPARISON TO PRIOR REPORT**

The ultimate incurred losses estimated in this report are compared to the 4/21/10 actuarial report in the following table and Figure 2. As shown the estimates decreased \$330,053 or 1.0% from 12/31/09 to 12/31/10. The 1/1-12/31/03 period decreased due to the closing of a large auto claim at \$200,000 less than the reserved amount. The 1/1-12/31/06 period increased due to increases in large general liability claims. The 1/1-12/31/07 period decreased due to less than expected development in general liability losses for that period. The late emergence of a large property claim led to an increase in the 1/1-12/31/08 losses.

COMPARISON OF ESTIMATED ULTIMATE  
INCURRED LOSSES TO PRIOR ACTUARIAL REPORT  
ALL COVERAGES  
(Limited to Specific and Aggregate Retentions)  
(Net of Recoveries)

Policy Period	Current Analysis (Table 31 Section B)	4/21/10 Report (Table 31 Section B)	Change	Percent Change
1/1-12/31/92	\$ 850,000 @	\$ 850,000 @	\$ 0	0.0%
1/1-12/31/93	1,100,000 @	1,100,000 @	0	0.0%
1/1-12/31/94	1,350,000 @	1,350,000 @	0	0.0%
1/1-12/31/95	885,773	903,375	( 17,602)	( 1.9%)
1/1-12/31/96	899,711	899,711	0	0.0%
1/1-12/31/97	1,166,937	1,166,937	0	0.0%
1/1-12/31/98	1,389,358	1,397,260	( 7,902)	( 0.6%)
1/1-12/31/99	1,530,000 @	1,530,000 @	0	0.0%
1/1-12/31/00	1,067,854	1,067,854	0	0.0%
1/1-12/31/01	1,715,000 @	1,715,000 @	0	0.0%
1/1-12/31/02	1,850,000 @	1,850,000 @	0	0.0%
1/1-12/31/03	2,466,221	2,692,914	( 226,693)	( 8.4%)
1/1-12/31/04	2,656,761	2,565,580	91,181	3.6%
1/1-12/31/05	2,736,966	2,755,505	( 18,539)	( 0.7%)
1/1-12/31/06	2,695,543	2,553,291	142,252	5.6%
1/1-12/31/07	2,750,652	2,977,965	( 227,313)	( 7.6%)
1/1-12/31/08	2,704,342	2,631,266	73,076	2.8%
1/1-12/31/09	2,748,095	2,886,608	( 138,513)	( 4.8%)
Total	\$32,563,213	\$32,893,266	(\$ 330,053)	( 1.0%)

@ Limited to the aggregate retention.

Table 32

## UTAH COUNTIES INSURANCE POOL

## ALL COVERAGES

ESTIMATED REQUIRED RESERVES AS OF 12/31/10  
(Limited to Specific and Aggregate Retentions)  
(Net of Recoveries)

## A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/10	Paid Losses as of 12/31/10
1/1-12/31/92	\$ 850,000	\$ 850,000	\$ 850,000
1/1-12/31/93	1,100,000	1,100,000	1,100,000
1/1-12/31/94	1,350,000	1,350,000	1,350,000
1/1-12/31/95	885,773	885,773	885,773
1/1-12/31/96	899,711	899,711	899,711
1/1-12/31/97	1,166,937	1,166,937	1,166,937
1/1-12/31/98	1,389,358	1,389,358	1,389,358
1/1-12/31/99	1,530,000	1,530,000	1,530,000
1/1-12/31/00	1,067,854	1,067,854	1,067,854
1/1-12/31/01	1,715,000	1,715,000	1,715,000
1/1-12/31/02	1,850,000	1,850,000	1,850,000
1/1-12/31/03	2,466,221	2,421,646	2,421,184
1/1-12/31/04	2,656,761	2,628,872	2,460,316
1/1-12/31/05	2,736,966	2,640,787	2,368,545
1/1-12/31/06	2,695,543	2,546,001	2,391,739
1/1-12/31/07	2,750,652	2,469,244	2,201,983
1/1-12/31/08	2,704,342	2,266,379	1,639,808
1/1-12/31/09	2,748,095	1,752,821	1,246,174
1/1-12/31/10	2,876,044	1,183,253	584,493
Total	\$35,439,257	\$31,713,636	\$29,118,875

## B. ESTIMATED REQUIRED RESERVES AS OF 12/31/10

Policy Period	Case Reserves as of 12/31/10	Estimated IBNR as of 12/31/10	Estimated Required Reserves as of 12/31/10
1/1-12/31/92	\$ 0	\$ 0	\$ 0
1/1-12/31/93	0	0	0
1/1-12/31/94	0	0	0
1/1-12/31/95	0	0	0
1/1-12/31/96	0	0	0
1/1-12/31/97	0	0	0
1/1-12/31/98	0	0	0
1/1-12/31/99	0	0	0
1/1-12/31/00	0	0	0
1/1-12/31/01	0	0	0
1/1-12/31/02	0	0	0
1/1-12/31/03	462	44,575	45,037
1/1-12/31/04	168,556	27,889	196,445
1/1-12/31/05	272,242	96,179	368,421
1/1-12/31/06	154,262	149,542	303,804
1/1-12/31/07	267,261	281,408	548,669
1/1-12/31/08	626,571	437,963	1,064,534
1/1-12/31/09	506,647	995,274	1,501,921
1/1-12/31/10	598,760	1,692,791	2,291,551
Total	\$ 2,594,761	\$ 3,725,621	\$ 6,320,382



## HISTORICAL PROFITABILITY ANALYSIS

When evaluating the estimates contained in this report, it is important to review the underwriting results of each period to evaluate the program's direction. Section A of Table 34 and Figure 6 present a comparison of the funds available to pay claims to the estimated ultimate incurred losses. In the 1/1-12/31/10 period, it is estimated that UCIP will show underwriting income of \$348,802.

In Section B, investment income is combined with the underwriting results to estimate net income by policy period. As shown, the estimated net income for the 1/1-12/31/10 period is \$403,802. The estimated surplus, or cumulative net income, for 1/1/01-12/31/10 is \$1,663,422. This estimate does not include investment income expected to be earned on the loss reserves from Section C of Table 33.

Paid, incurred, estimated ultimate incurred, and permissible loss ratios are shown in Section C to further illustrate UCIP's underwriting results. Also shown are combined ratios.

Table 34

## UTAH COUNTIES INSURANCE POOL

## ALL MULTI-LINE COVERAGES

## HISTORICAL PROFITABILITY ANALYSIS

## A. ESTIMATED UNDERWRITING INCOME

Policy Period	Premium*	Operating Expenses*	Funds Available for Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income
1/1-12/31/01	\$ 3,222,871	\$ 1,489,185	\$ 1,733,686	\$ 1,715,000	\$ 18,686
1/1-12/31/02	3,505,736	1,644,953	1,860,783	1,850,000	10,783
1/1-12/31/03	3,930,854	2,042,668	1,888,186	2,466,221	( 578,035)
1/1-12/31/04	4,194,644	2,048,851	2,145,793	2,656,761	( 510,968)
1/1-12/31/05	4,217,591	2,046,257 #	2,171,334	2,736,966	( 565,632)
1/1-12/31/06	4,195,406	2,058,540 #	2,136,866	2,695,543	( 558,677)
1/1-12/31/07	4,676,898	2,426,559 #	2,250,339	2,750,652	( 500,313)
1/1-12/31/08	5,146,934	2,145,715	3,001,219	2,704,342	296,877
1/1-12/31/09	5,573,525 ^	2,012,633 ^	3,560,892	2,748,095	812,797
1/1-12/31/10	5,699,796	2,474,950	3,224,846	2,876,044	348,802
Total	\$44,364,255	\$20,390,311	\$23,973,944	\$25,199,624	(\$1,225,680)

## B. ESTIMATED FUND BALANCE

Policy Period	Estimated Underwriting Income	Interest & Other Income*	Estimated Net Income
1/1-12/31/01	\$ 18,686	\$ 434,407	\$ 453,093
1/1-12/31/02	10,783	237,750	248,533
1/1-12/31/03	( 578,035)	223,149	( 354,886)
1/1-12/31/04	( 510,968)	230,501	( 280,467)
1/1-12/31/05	( 565,632)	400,393	( 165,239)
1/1-12/31/06	( 558,677)	618,976	60,299
1/1-12/31/07	( 500,313)	554,819	54,506
1/1-12/31/08	296,877	( 42,271)	254,606
1/1-12/31/09	812,797	176,378 ^	989,175
1/1-12/31/10	348,802	55,000	403,802
Total	(\$1,225,680)	\$2,889,102	\$1,663,422

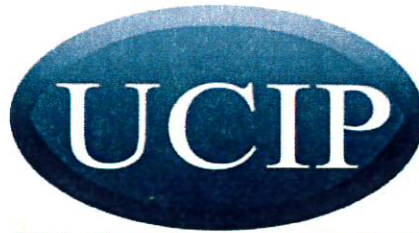
## C. LOSS RATIOS

Policy Period	Paid Loss Ratio as of 12/31/10	Incurred Loss Ratio as of 12/31/10	Estimated Ultimate Incurred Loss Ratio	Permissible Loss Ratio (Funds Available/Premium)	Combined Ratio [(Losses+ Expenses)/Premium]
1/1-12/31/01	0.532	0.532	0.532	0.538	0.994
1/1-12/31/02	0.528	0.528	0.528	0.531	0.997
1/1-12/31/03	0.616	0.616	0.627	0.480	1.147
1/1-12/31/04	0.587	0.627	0.633	0.512	1.122
1/1-12/31/05	0.562	0.626	0.649	0.515	1.134
1/1-12/31/06	0.570	0.607	0.642	0.509	1.133
1/1-12/31/07	0.471	0.528	0.588	0.481	1.107
1/1-12/31/08	0.319	0.440	0.525	0.583	0.942
1/1-12/31/09	0.224	0.314	0.493	0.639	0.854
1/1-12/31/10	0.103	0.208	0.505	0.566	0.939
Total			0.568	0.540	1.028

\* From the audited financial statements up to 1/1-12/31/09 and the preliminary financial statements for 1/1-12/31/10.

# Split administrative expenses 19% workers compensation and 81% multi-line at UCIP's request.

^ Split workers compensation and multi-line based on estimates provided by UCIP.



Utah Counties Insurance Pool  
*Supporting Your Goals Since 1992*

**FINANCIAL STATEMENTS**  
(UNAUDITED)

Month Ending December 31, 2010

To the Board of Trustees:

I have compiled the accompanying, in-house prepared, account balances arising from accrual transaction of the Utah Counties Insurance Pool as of 12/31/10 and accompanying notes to basic financial statements to be audited.

Sonya White  
Manager of Administration  
801-307-2113  
[sonya@ucip.utah.gov](mailto:sonya@ucip.utah.gov)

Reviewed this \_\_\_\_\_ day of \_\_\_\_\_, 2011

By: \_\_\_\_\_

# Utah Counties Insurance Pool

## Statement of Net Assets December 31, 2010 and 2009

	2010	2009
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	10,593,515	12,714,398
Accounts Receivable	450	143,260
Reinsurance Recoverable	414,063	700,871
Prepaid Expenses	287,913	217,004
<b>Total Current Assets</b>	<b>11,295,941</b>	<b>13,775,533</b>
<b>Investments</b>	<b>362,335</b>	<b>367,844</b>
<b>Capital Assets</b>	<b>597,561</b>	<b>596,840</b>
Net of accumulated depreciation of \$201,839 and \$173,292 respectively		
<b>Security Deposit</b>	<b>11,336</b>	<b>11,336</b>
<b>Total Assets</b>	<b>12,267,173</b>	<b>14,751,553</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Current Liabilities</b>		
Reserves Losses and Loss Adjustment	6,636,401	10,462,475
Accounts Payable	28,012	7,242
Payroll Liabilities	1,450	1,551
Compensated Absences Payable	28,767	30,486
Premiums Paid in Advance	719,028	-
<b>Total Current Liabilities</b>	<b>7,413,658</b>	<b>10,501,754</b>
<b>Net Assets</b>		
Invested in Capital Assets	597,561	596,840
Unrestricted	4,255,955	3,652,958
<b>Total Net Assets</b>	<b>4,853,516</b>	<b>4,249,798</b>
<b>Total Liabilities and Net Assets</b>	<b>12,267,173</b>	<b>14,751,553</b>

**Utah Counties Insurance Pool**  
**Statements of Revenues, Expenses and Changes in Net Assets**  
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>Operating Income</b>		
Premiums	5,690,293	7,908,425
Premiums Audit	19,994	70,625
Investment Income	56,234	290,050
Realized Gain(Loss) Investments	-	1,488
Miscellaneous Income	18,159	12,042
<b>Total Income</b>	<u>5,784,680</u>	<u>8,282,630</u>
<b>Underwriting Expenses</b>		
Losses and Loss Expense	2,804,665	4,305,748
Reinsurance Coverage	1,279,353	1,330,501
<b>Total Underwriting Expense</b>	<u>4,084,018</u>	<u>5,636,249</u>
<b>Administration Expenses</b>		
Board of Trustees	44,578	40,803
Depreciation	28,547	44,231
Loss Control	48,865	18,292
Marketing	15,597	12,775
Office Operations	181,940	196,271
Professional Services	88,485	96,450
Self Insurer's Tax	(9,943)	(9,092)
Staff	698,876	738,146
<b>Total Administration Expenses</b>	<u>1,096,945</u>	<u>1,137,876</u>
<b>Total Operating Expenses</b>	<b>5,180,963</b>	<b>6,774,125</b>
<b>Change in Net Assets</b>	<b>603,717</b>	<b>1,508,505</b>
Net Assets at Beginning of Year	<b>4,249,799</b>	<b>2,741,294</b>
<b>Net Assets at End of Year</b>	<u><u>4,853,516</u></u>	<u><u>4,249,799</u></u>

**Utah Counties Insurance Pool**  
**Statement of Cash Flows**  
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>Cash Flows from Operating Activities</b>		
Premiums Collected	5,710,287	6,811,402
Other Fees Collected	18,159	12,042
Reinsurance Paid	(1,279,353)	(1,330,501)
Losses and Loss Expenses	(2,804,665)	(4,146,708)
Administrative Expenses	(1,276,873)	(3,160,123)
<b>Net Cash from Operating Activities</b>	<b>367,555</b>	<b>(1,813,888)</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sale of Investments	-	34,000
Investment Income	56,234	163,316
<b>Net Cash from Investing Activities</b>	<b>56,234</b>	<b>197,316</b>
<b>Cash Flows from Capital Financing Activities</b>		
Security Deposit	-	3,428
Proceeds of Sale of Land	-	19,250
Reclassification of Land Escrow	32,127	75,426
Purchases of Capital Assets	(5,942)	(84,581)
Proceeds from Sales of Capital Assets	3,951	-
<b>Net Cash from Capital Financing Activities</b>	<b>30,137</b>	<b>13,523</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>453,926</b>	<b>(1,603,049)</b>
Cash and Cash Equivalents at Beginning of Year	<u>11,191,622</u>	<u>14,317,447</u>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>11,645,548</u></b>	<b><u>12,714,398</u></b>
<b>Reconciliation of Change in Net Assets to Net Cash</b>		
Change in Net Assets	<u>603,717</u>	<u>1,508,505</u>
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</b>		
Depreciation	44,231	44,231
Interest Received on Investments	(56,234)	(163,316)
(Increase) Decrease in Equity in CRL	(5,509)	(129,328)
Realized (Gain) Loss on Sale of Investments	-	(1,488)
<b>Changes in Assets and Liabilities</b>		
(Increase) Decrease in Accounts Receivable	(1,307,584)	(231)
Increase (Decrease) in Accrued Investment Income	-	2,594
Increase (Decrease) in Prepaid Expenses	(287,913)	(217,004)
(Increase) Decrease in Reinsurance Recoverables	286,808	(443,225)
(Increase) Decrease in Security Deposit	-	3,428
Increase (Decrease) in Reserves for Loss and Loss Expenses	403,442	602,265
Increase (Decrease) in Accounts Payable	63,652	(1,850,095)
(Increase) Decrease in Payroll Liabilities	101	789
Increase (Decrease) in Compensated Absences	2,637	3,570
Increase (Decrease) in Premiums Paid in Advance	(719,028)	(1,167,417)
<b>Total Adjustments</b>	<b><u>(1,575,396)</u></b>	<b><u>(3,322,393)</u></b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>(971,679)</u></b>	<b><u>(1,813,888)</u></b>

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of Operations

Utah Counties Insurance Pool (the Pool or UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual (the Mutual). In July 2003, the Mutual was renamed the Utah Counties Insurance Pool. The Pool is a non-profit public agency insurance mutual under the insurance statutes of the State of Utah and is an Interlocal entity formed under section 11-13-101 et. seq. *Utah Code Annotated, 1953* as amended, as a joint program to insure risks for counties who enter into the Interlocal agreement that creates UCIP. All of the Pool's business activities are conducted in the State of Utah.

### Accounting Principles

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The Pool adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB Statement 34), GASB Statement No. 37, *Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Disclosures*, in fiscal year 2002, effective January 1, 2001. Effective January 1, 2004, the Pool adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. With the implementation of these statements, the Pool has prepared required supplementary information titled 'Management's Discussion and Analysis' which precedes the basic financial statements, has prepared a balance sheet classified between current and noncurrent assets and liabilities, has categorized net assets as invested in capital assets and unrestricted, has prepared the statements of cash flows on the direct method, and provided additional schedules to better communicate the financial status of the governmental entity.

The accounting policies of the Pool conform to accounting principles generally accepted in the United States of America in all material respects. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Fund and Other Governmental Entities That Use Proprietary Fund Accounting*, the Pool has opted to apply all pronouncements issued by the Financial Accounting Standards Board ("FASB") after November 1989, unless the FASB pronouncements conflict with or contradict GASB pronouncements. The following is a summary of the more significant of such policies.

### Basis of Accounting

The Pool reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. The estimates which are particularly susceptible to change are related to the actuarial valuation of the claims incurred but not reported and loss reserves. Actual results could differ from those estimates.

### **Income Taxes**

The Pool is exempt from the payment of income taxes under Section 115 of the Internal Revenue Code.

### **Contributions**

Contributions are collected annually on January 1.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Pool considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. Therefore, the investments in the Utah Public Treasurers' Fund and cash on deposit are considered to be cash equivalents.

### **Investments**

Investments are comprised of various U.S. Government securities, certificates of deposit and investments in County Reinsurance Limited (CRL).

The investments in CRL are valued using the equity method of accounting. Under the equity method, the Pool recognizes its proportionate share of the net earnings or losses of CRL which represents its share of the undistributed earnings or losses of CRL.

### **Capital Assets**

Capital assets are defined by the Pool as assets with an initial individual cost of more than \$500. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from three to five years. Depreciation expense for the years ending December 31, 2010 and 2009 amounted to **\$28,547** and **\$44,231**, respectively.

### **Compensated Absences**

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as compensated absences payable.



## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Reserves for Losses and Loss Adjustment Expenses**

The reserves for losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are reviewed quarterly and any adjustments are reflected in the period determined.

## **2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Listed below is a summary of the cash and investment portfolios as of December 31, 2010. Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Pool are considered to have been made in accordance with these governing statutes including the Utah Money Management Act.

### **Cash and cash equivalents**

Cash and cash equivalents of the Pool are carried at cost. The carrying amount of the cash on deposit, net of outstanding checks, is **\$1,882,880** and **\$1,850,175** as of December 31, 2010 and 2009, respectively. As of December 31, 2010 and 2009, **\$250,000.00** of the Pool's cash on deposit was insured by the FDIC.

The Public Treasurers' Investment Fund (PTIF) is a pooled investment fund enabling public agencies to benefit from the higher yields offered on large denomination securities. The PTIF is similar in nature to a money market fund, but the PTIF is subject to oversight by the Utah Money Management Council and all investments in PTIF are considered to be in compliance with the Utah Money Management Act. The PTIF invests in corporate debt, U.S. Agency notes, certificates of deposit and commercial paper. The maximum final maturity of any security invested in by the PTIF is limited to five years. The maximum weighted average life of the portfolio is limited to 90 days. There is no maturity date on an entity's investment in the PTIF. PTIF deposits are not insured or otherwise guaranteed by the State of Utah. Participants in the PTIF pay an administrative charge on an annual basis based on the average account balance. The PTIF is operated as a service to local governments and does not generate a profit to the Utah State Treasurer.

### **Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2010 and 2009, the Pool had amounts over FDIC insurance of **\$1,632,880** and **\$1,678,732**, respectively.

## 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

### Investments

The Pool records investments in CRL using the equity method of accounting. Investments in CRL confirm member investments annually. The recorded value in CRL is an unaudited estimate of the Pool's investment as of December 31, 2010.

### Interest Rate Risk

The Pool currently utilizes the Public Treasurer's Investment Fund (PTIF) to manage interest rate risk.

## 3. INTEREST RATES

The interest rates for assets held with the Utah Public Treasurers' Investment Fund were .4813% for the month ending December 31, 2010.

## 4. INVESTMENT INCOME

Investment income is comprised of interest on cash and equity in CRL.

## 5. CAPITAL ASSETS

The capital assets and related accumulated depreciation of the Pool are:

2010				
	Beginning Balance	Capital Acquisitions	Dispositions	Ending Balance
Land	\$ 494,446	\$ 32,127	\$ -	\$ 526,573
Capital Assets	\$ 275,685	\$ 5,942	\$ (8,800)	\$ 272,827
	<b>\$ 770,131</b>	<b>\$ 38,069</b>	<b>\$ (8,800)</b>	<b>\$ 799,400</b>
Accumulated Depreciation	\$ 161,341	\$ 40,499	\$ -	\$ 201,840

2009				
	Beginning Balance	Capital Acquisitions	Dispositions	Ending Balance
Land	\$ 592,340	\$ -	\$ (97,894)	\$ 494,446
Capital Assets	\$ 191,020	\$ 84,665	\$ -	\$ 275,685
	<b>\$ 783,360</b>	<b>\$ 84,665</b>	<b>\$ (97,894)</b>	<b>\$ 770,131</b>
Accumulated Depreciation	\$ 129,060	\$ 44,571	\$ (12,290)	\$ 161,341

## 6. CONTINGENCIES

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid loss and loss adjustment expense liabilities.

## 7. REINSURANCE

Effective 2003, the Pool has purchased only specific excess coverage. The agreement provides for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention.

Estimated claims loss liabilities of the Pool are stated net of estimated losses applicable to reinsurance coverage ceded to other insurance companies of **\$1,254,980** and **\$1,185,154** as of December 31, 2010 and 2009, respectively. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

### Unsecured Reinsurance Recoverables

The Pool has received reinsurance recoverables in the amount of **\$813,112** and **\$700,871** from its reinsurers for paid losses as of December 31, 2010 and 2009, respectively.

### Reinsurance Recoverable in Dispute

As of December 31, 2010, the Pool does not have any disputed balances or uncollectible funds.

## 8. RETIREMENT PLAN

The employees are covered under multiple-employer, public employee retirement systems administered by the Utah Retirement Systems. This plan is noncontributory and includes a 401(k) plan. The Pool contributes an amount equal to 13.37% of employee's salaries under the plan. The Pool contributes an amount equal to the amount contributed by the employee into a 401(k) plan and/or a 457 plan (administered by Nationwide Retirement Solutions), not to exceed 5% of the employees eligible payroll. The total retirement expense for the year ending December 31, 2010 and 2009 was **\$71,121** and **\$73,121**, respectively.

## 9. UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by approximately **(\$346,556)** and **\$623,000** in 2010 and 2009, respectively, as a result of reestimation of unpaid losses and loss adjustment expenses. This change is the result of quarterly analysis of recent loss development trends. Original estimates change as additional information becomes known regarding individual claims. 2009 reserves included workers compensation losses and loss adjustment expenses for prior years. As of January 1, 2010, workers compensation liabilities were transferred to the Workers Compensation Fund under a loss portfolio transfer agreement.

**9. UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES (Continued)**

	<u>2010</u>	<u>2009</u>
<b>Balance at January 1</b>	6,451,094	6,403,782
Incurred:		
Current Year	2,876,044	2,886,608
Prior Year	(330,053)	(155,798)
<b>Total Incurred</b>	<u><b>2,545,991</b></u>	<u><b>2,730,810</b></u>
Paid:		
Current Year	584,493	749,601
Prior Year	1,776,191	1,933,897
<b>Total Paid</b>	<u><b>2,360,684</b></u>	<u><b>2,683,498</b></u>
<b>Balance at December 31</b>	<u><b>6,636,401</b></u>	<u><b>6,451,094</b></u>

**10. OPERATING LEASE COMMITMENT**

On September 4, 2008, the Pool entered into a seven year commitment to lease office space. The lease commenced in February 2009 at which time the Pool occupied the premises. The Pool paid **\$129,456** and **\$103,008** in rent as of December 31, 2010 and 2009, respectively.

Future minimum rental commitments for the building operating lease are as follows:

	<u>2010</u>
2010	129,456
2011	129,456
2012	132,696
2013	136,674
2014	140,774
Thereafter	<u>144,997</u>
<b>Total Minimum Lease Payments</b>	<u><b>814,053</b></u>

# Utah Counties Insurance Pool

## Endorsements

### Endorsement No. 25

#### **EXCLUSION AND LIMITED COVERAGE FOR SECURITIES CLAIMS**

This endorsement attaches to and forms part of Part III – General Coverage Exclusions, Part IV – General Definitions, Addendum No. UCIP-11.100

The effective date of this endorsement is March 1, 2011.

This endorsement modifies coverage provided under the following:

**PART III GENERAL COVERAGE EXCLUSIONS** is amended to include the following additional language:

- V. To any **Claims** arising in whole or in part out of any **Securities Claim**.
1. This exclusion applies whether or not the **Member** is alleged to have actually participated in events from which the “Securities Claim” arises.
  2. This exclusion applies to any claim that in any way involves any alleged wrongful act in connection with the activities encompassed within the definition of a “Securities Claim”, whether intentional, reckless, negligent, or in a circumstance in which the law imposes strict liability. In addition, the exclusion applies to any claim or suit arising out of such conduct, whether criminal, civil, state or federal, statutory or common law.

However a defense will be provided, up to a maximum of \$35,000 per occurrence per **Member**. The sub-limited amount applies to defense costs of the **Member** only and cannot be applied to pay a settlement, plaintiff’s costs or legal fees. **Claims** for injunctive relief appeals to District Court are not eligible for defense costs.

**PART IV GENERAL DEFINITIONS** is amended to include the following additional language:

“**Securities Claim**” means any “suit” or “claim” for “damages”, rescission or restitution, arising out of any actual or alleged violation of:

1. The Securities Act of 1933; or
2. The Securities Exchange Act of 1934; or

3. The Public Utilities Holding Act of 1935; or
4. The Trust Indenture Act of 1939; or
5. The Investment Company Act of 1940; or
6. The Investment Advisors Act of 1940; or
7. Any state Blue Sky Laws; or any rules, regulations or amendments issued in relation to such acts; or
8. Any common law claim arising out of or in any way concerning or related to:
  - a. The promotion, issuance, sale or solicitation for sale of securities, bonds, debentures, stocks, options, warrants, trusts, real estate, REIT, or any other investment of any kind by any **Member**; or
  - b. Recommendations, representations, or opinions concerning investment advice given by any **Member** or any person or organization referred to by any Member in connection with the performance or nonperformance of any securities, bonds, debentures, stocks, options, warrants, trusts, real estate, REIT, or any other investment of any kind; or
  - c. Any common law principles of liability, if made in connection with an actual or alleged violation of any law listed in 1-7 above.

“Securities Claim” includes claims arising out of the solicitation of, attempt to commit, or conspiracy to commit, any act described in the preceding paragraphs.

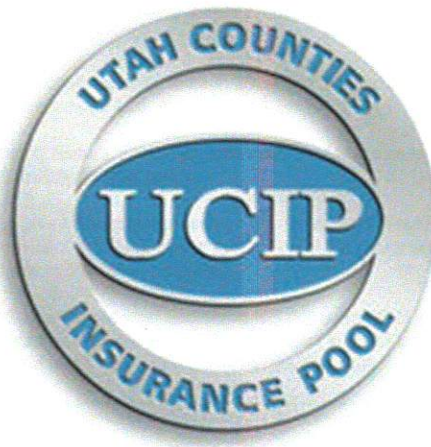
Subject otherwise to all terms, clauses and conditions of this Addendum.

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# Utah Counties Insurance Pool

## Workers Compensation Safety Service Summary & Claims Analysis 2010

January 10, 2011



For:  
Johnnie Miller, Utah Counties Insurance Pool



By:  
Kathryn H. Clark, CIH, CSP  
Workers Compensation Fund

**Kathryn H. Clark, CIH, CSP**  
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phone: 385.351.8903  
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www.wcfgroup.com







Workers Compensation Fund  
100 West Towne Ridge Parkway, Sandy, Utah 84070  
800.446.2667 | www.wcfgroup.com

Large Account Service Plan			
Date:	01/31/2011	Other States:	N/A
Rev:	0		
WCF Consultant:	Kathryn H. Clark, CIH, CSP	Phone:	385.351.8903
E-Mail:	kclark@wcfgroup.com		
Account Name:	UTAH COUNTIES INSURANCE POOL		
Exp:	12/31/2010		
Location:	P.O. Box 95730 South Jordan UT 84095		Policy#:
		3127814	
Contact Name:	Johnnie Miller	Phone:	801.307.2114
E-Mail:	jmillier@ucip.utah.gov		
Agency Contact:	Blake Green	Phone:	801.716.4233
E-Mail:	bgreen@wcfgroup.com		
Agreed Upon Service Objectives:			
<p>During 2011, strains/sprains accounted for 29% of claims by nature of injury and slips/falls accounted for 21% of claims by accident type for all UCIP members combined. Law enforcement officer injuries were also of concern. To assist in reducing injury potential for UCIP member employees, WCF Safety &amp; Health consultants will offer formal service plans of individualized safety services to each individual county early in 2011.</p> <p>Service plans will focus on the individual losses specific to each county. In addition to services focused on loss sources, other safety services offered to UCIP members may include, but will not be limited to:</p> <ol style="list-style-type: none"> <li>1) An introduction to the WCF Dashboard feature, an application which provides to policyholders swift access to charts and graphs of key performance indicators specific to their policy.</li> <li>2) An offer to conduct a WCF Safety Culture Assessment survey. This is perception survey developed specifically to pinpoint disconnects between managers'/supervisors' and employees' perception of the safety programs and activities and also uncover areas of strength and weakness in the safety programs.</li> <li>3) An offer to share the WCF Safety Success Balanced Scorecard tool will be made to individual counties. The Balanced Scorecard is a means of measuring and tracking, not only trailing indicators such as injury claims, but also leading indicators such as attendance at safety training and number of safety observations completed.</li> </ol> <p>WCF will attend the UCIP Board of Trustees meeting on February 17 at noon to present the Safety Service &amp; Claims Analysis Summary Report to the Board members.</p> <p>All UCIP County members are invited to attend the "Safety for Municipalities: A Safety Round Table" seminar to be hosted by WCF in the Sandy office location on June 16, 2011 from 8:30 am to noon. Presentations on safety concerns specific to municipalities will be offered and attendees will be provided opportunities to share and discuss ideas and concerns specific to their organization.</p> <p>WCF Safety &amp; Health will participate and present ideas for injury prevention at the UCIP Annual Risk Management Conference in Cedar City on August 16 - 18, 2011.</p> <p>There is an open invitation to UCIP for WCF to host a safety and health function for UCIP County members at the Sandy office location.</p>			

#### Activity Calendar

Service Objectives:	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011
Safety Service Plan Development with Individual Counties	X	X										
Safety Service Summary & Claims Analysis Report for 2010	X											
WCF to Present Safety Service Summary & Claims Analysis Report to UCIP Board of Trustees		X										
UCIP Risk Management Conference								X				
WCF Safety for Municipalities Safety Round Table Seminar is offered						X						
Preparation of Annual Safety Service Summary & Claims Analysis Report 2011												X

Renewal



# UTAH COUNTIES INSURANCE POOL

## One Year History

County Name	Policy Number	Medical Only	Indemnity	Total # of Claims	Total Cost	Average Cost
Box Elder	1636916	27	2	29	\$ 85,910.30	\$ 2,962.42
Daggett	1636961	9	0	9	\$ 14,738.44	\$ 1,637.60
Duchesne	1147164	7	2	9	\$ 61,311.34	\$ 6,812.37
Garfield	1637029	4	0	4	\$ 1,442.05	\$ 360.51
Iron	1637032	15	3	18	\$ 185,151.73	\$ 10,286.21
Juab	1637045	9	3	12	\$ 51,175.01	\$ 4,264.58
Kane	1638174	3	2	5	\$ 850,196.86	\$ 170,039.37
Millard	2118987	7	2	9	\$ 656,095.22	\$ 72,899.47
Morgan	1637061	1	0	1	\$ 135.88	\$ 135.88
Piute	1637074	0	1	1	\$ 5,583.43	\$ 5,583.43
Rich	1637090	1	1	2	\$ 3,491.15	\$ 1,745.58
San Juan	1637133	16	1	17	\$ 19,650.88	\$ 1,155.93
Sanpete	1637117	3	0	3	\$ 525.18	\$ 175.06
Sevier	1637104	9	2	11	\$ 692,196.01	\$ 62,926.91
Tooele	2119768	30	2	32	\$ 110,861.32	\$ 3,464.42
Washington	1637234	19	2	21	\$ 30,948.17	\$ 1,473.72
Wayne	1637247	5	0	5	\$ 5,596.35	\$ 1,119.27
Weber	2053567	74	8	82	\$ 215,503.19	\$ 2,628.09
	<b>TOTAL:</b>	<b>239</b>	<b>31</b>	<b>270</b>	<b>\$2,990,512.51</b>	<b>\$ 11,075.97</b>

# UTAH COUNTIES INSURANCE POOL

## Five Year History

County Name	Policy Number	Medical Only	Indemnity	Total # of Claims	Total Cost	Average Cost
Box Elder	1636916	96	16	112	\$ 565,586.67	\$ 5,049.88
Daggett	1636961	23	2	25	\$ 29,394.01	\$ 1,175.76
Duchesne	1147164	51	5	56	\$ 129,249.26	\$ 2,308.02
Garfield	1637029	21	1	22	\$ 38,177.64	\$ 1,735.35
Iron	1637032	136	12	148	\$ 491,630.64	\$ 3,321.83
Juab	1637045	35	7	42	\$ 102,074.41	\$ 2,430.34
Kane	1638174	26	10	36	\$ 985,990.05	\$ 27,388.61
Millard	2118987	56	9	65	\$ 775,522.64	\$ 11,931.12
Morgan	1637061	6	2	8	\$ 18,891.25	\$ 2,361.41
Piute	1637074	0	2	2	\$ 44,946.96	\$ 22,473.48
Rich	1637090	6	1	7	\$ 3,821.68	\$ 545.95
San Juan	1637133	59	4	63	\$ 64,195.03	\$ 1,018.97
Sanpete	1637117	19	3	22	\$ 41,986.99	\$ 1,908.50
Sevier	1637104	64	4	68	\$ 776,170.35	\$ 11,414.27
Tooele	2119768	123	17	140	\$ 263,176.20	\$ 1,879.83
Washington	1637234	94	11	105	\$ 560,696.47	\$ 5,339.97
Wayne	1637247	53	1	54	\$ 14,199.55	\$ 262.95
Weber	2053567	338	25	363	\$ 657,063.55	\$ 1,810.09
	<b>TOTAL:</b>	<b>1206</b>	<b>132</b>	<b>1338</b>	<b>\$ 5,562,773.35</b>	<b>\$ 4,157.53</b>

## **Executive Summary:**

This safety service summary and claims analysis report is provided as a service to Utah Counties Insurance Pool (UCIP). It provides a summary of the safety services provided by WCF Safety and Health to the individual member counties of UCIP and an overview of key performance indicators to pinpoint specific loss sourced and assist in planning future safety services for the county members. We at WCF look forward to a continued successful business partnership with UCIP in 2011.

### **Summary of Safety Services 2010:**

During 2010, WCF Safety & Health logged 156 safety contacts with UCIP member counties which have included introductory visits, safety hazard surveys, safety program evaluations, safe practices training, and safety management training. Initial contact was made by the assigned WCF Safety & Health consultant with each UCIP member and provided with the following:

- WCF Safety Training Schedule brochure
- WCF Safety Program & Cost Control Guidebook
- WCF Safety & Health consultant's business card

Each county was introduced to the WCF website and was invited to enroll in the monthly WCF Safety electronic newsletter. Safety service plans were offered to all counties and were implemented for 15 of the 18 UCIP members. More detailed summaries of the safety service provided to each county are included as appendices

In addition to services offered to individual UCIP members, WCF Safety & Health management provided a review of the UCIP Risk Awareness training program. A demonstration of the WCF online safety training feature was also provided to Mark Brady. Free VIP tokens were supplied to allow a review of the training modules available, and instructions for creating an administrative account were provided. The WCF Safety Success Balanced Scorecard tool was shared with Mr. Brady in Microsoft Excel file format. Finally, WCF Safety and Health presented information on Risk and Loss Control at the UCIP Risk Management Conference in Cedar City in August 2010.

### **Key Loss Sources 2010:**

Strains and sprains were the most frequent injury types during 2010 while slips/falls were the most frequent accident types. The most costly claims were to law enforcement officers, of which included three fatal claims. A graphical injury claims analysis for the UCIP member counties is included in the following section.

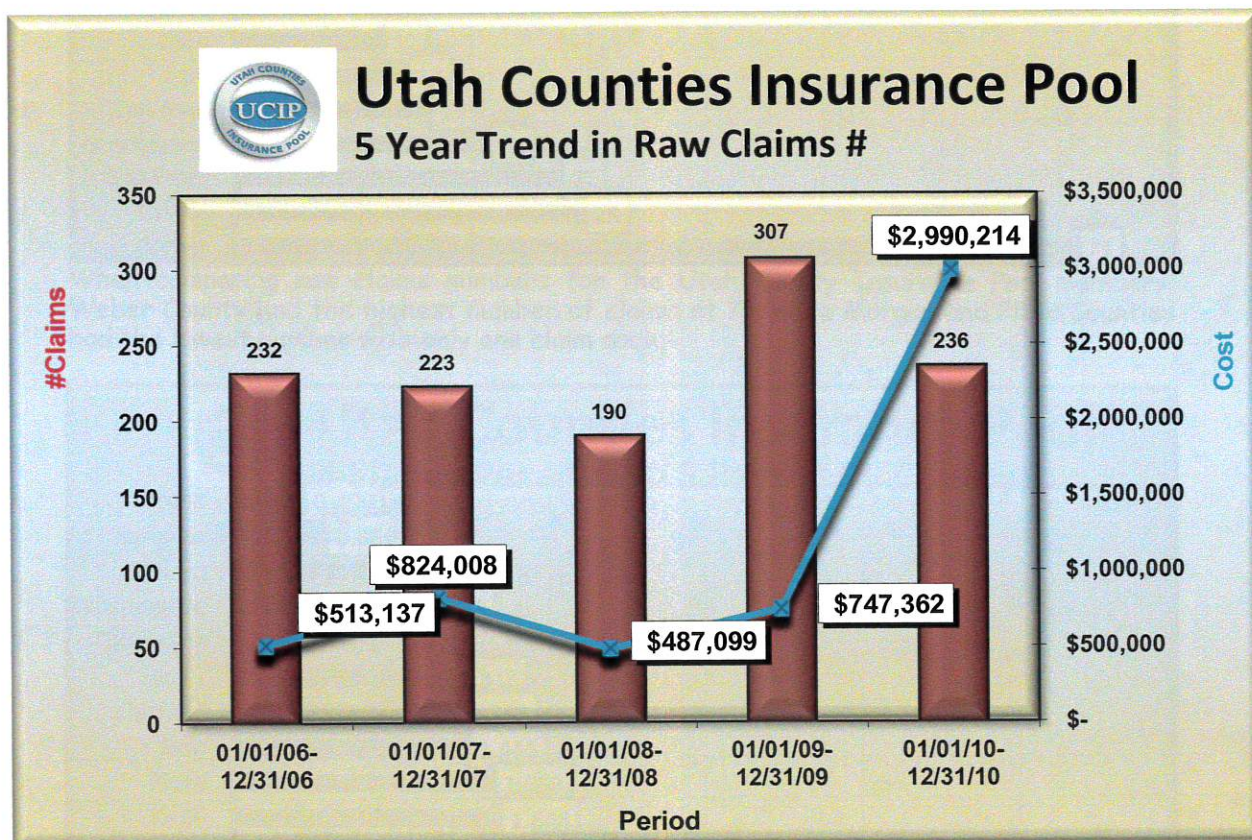


# Injury Claims Analysis:

## Loss Summary 2010:

There were 236 claims reported for all Counties of the Utah Counties Insurance Pool combined during 2010 for a total incurred cost of \$2,990,214. Of these, 31 claims resulted in lost work time (indemnity). Not included in these figures are 4 denied claims and 27 claims that were closed with zero paid out. The average number of days to report claims to WCF was 9 days.

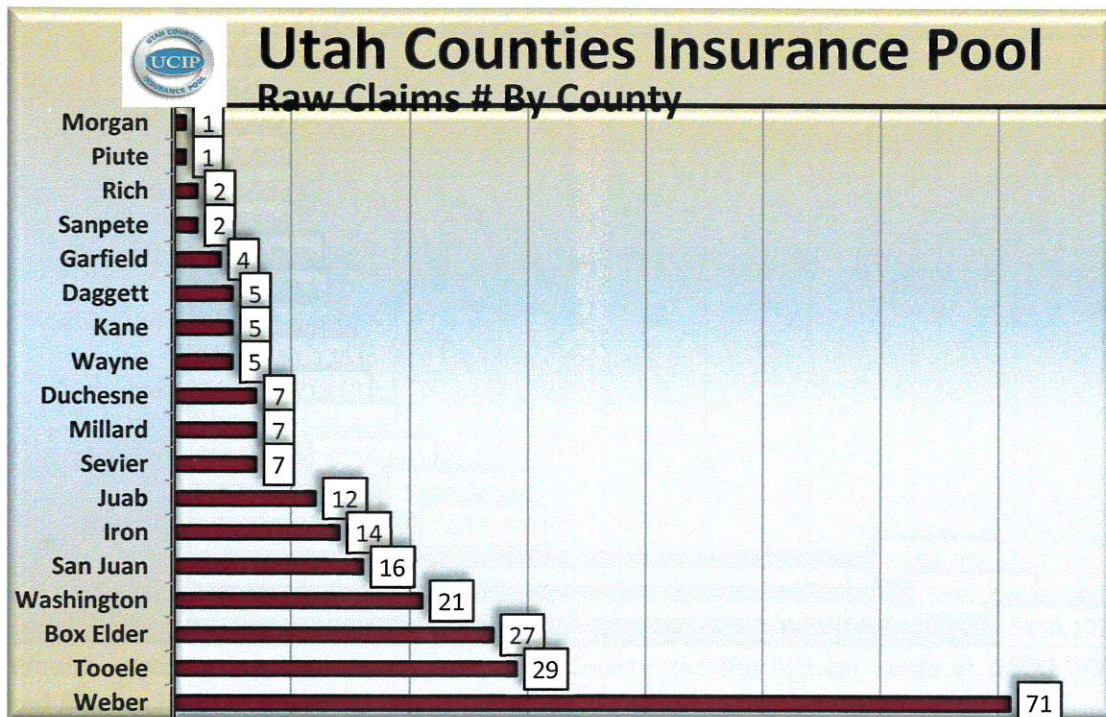
## 5 Year Claims and Cost Trend:



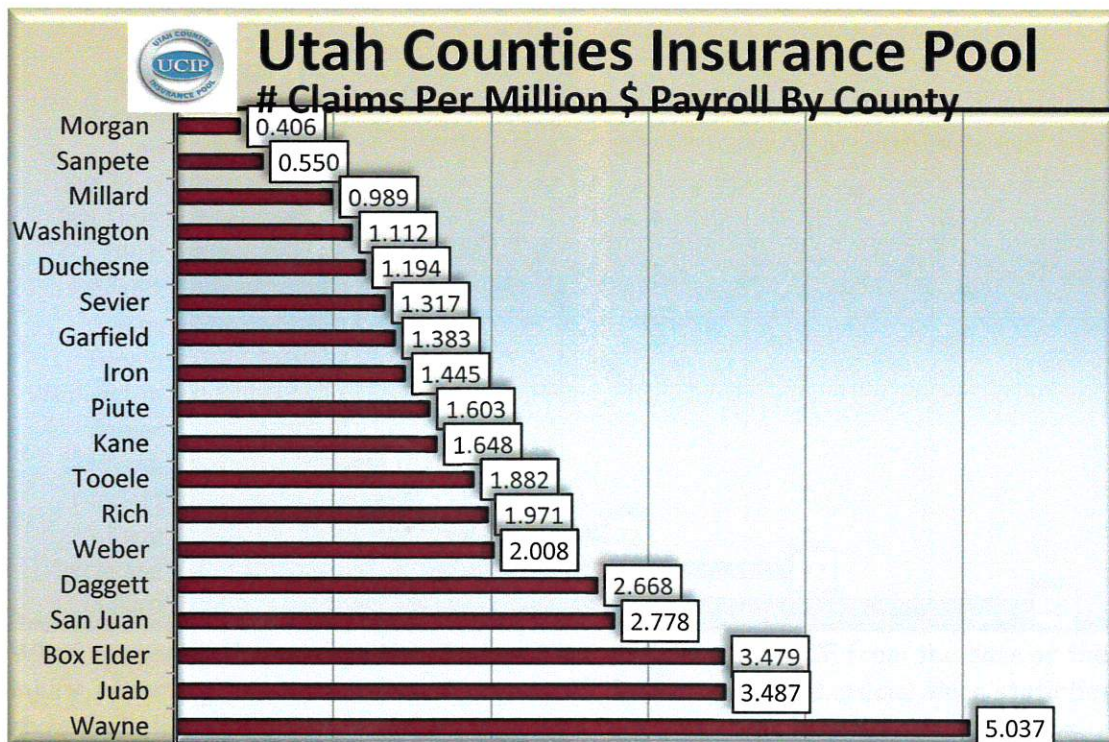
The above chart shows the five year trend in claims and claims costs by fiscal/calendar year. While there was an increase in costs (due mostly to incidents involving law enforcement officers) there was a decrease in raw claims numbers for 2010 from the previous year.



## Key Performance Indicators Comparisons by County:

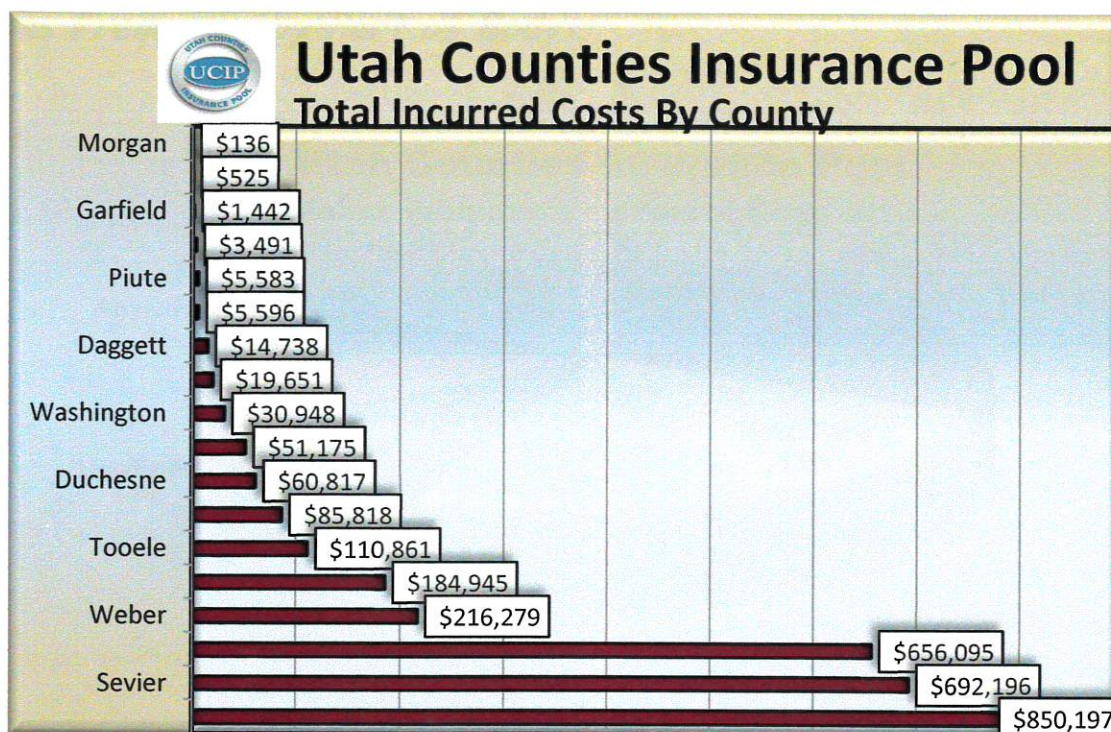


When comparing raw claims numbers for the Utah County Insurance Pool members, Weber County had the highest number of claims at 71, while Morgan and Piute Counties had the lowest number with only one claim each.

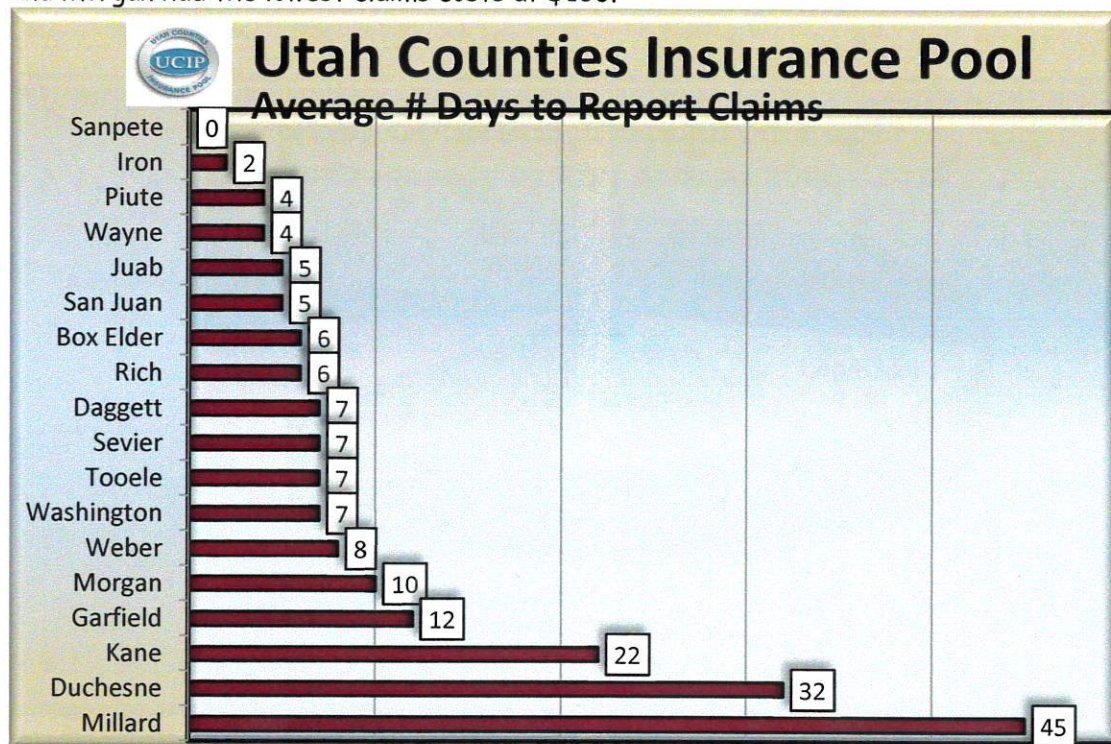


When comparing claims per million dollars of payroll, Wayne County had the highest number of claims per million dollars of payroll at 5.037, while Morgan County had the lowest number at 0.406.





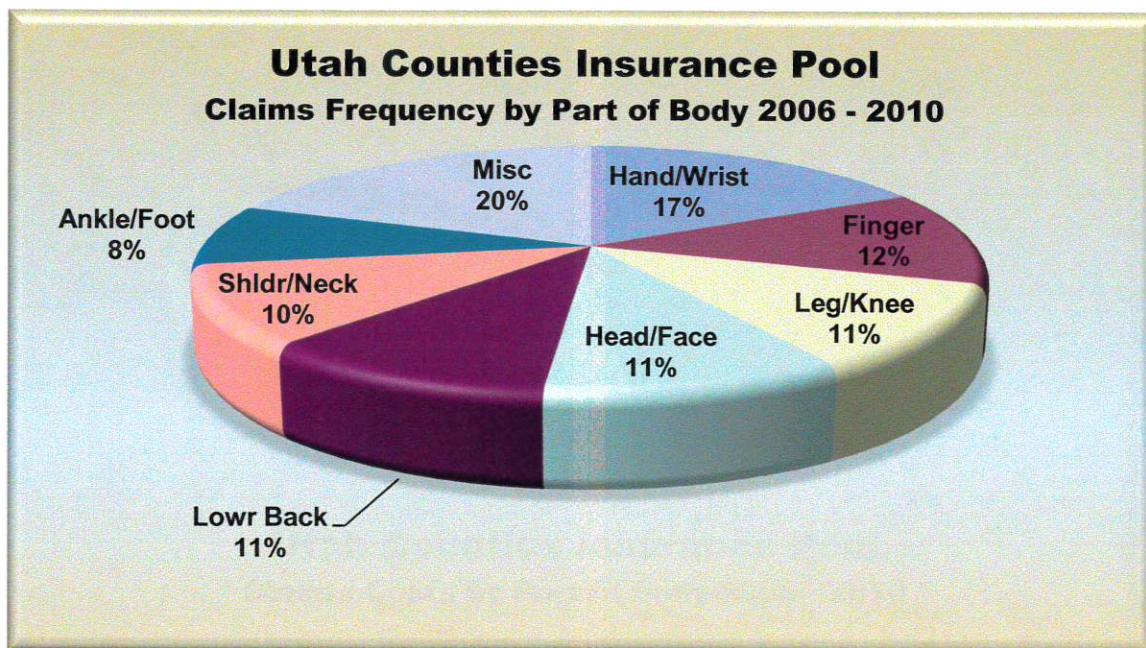
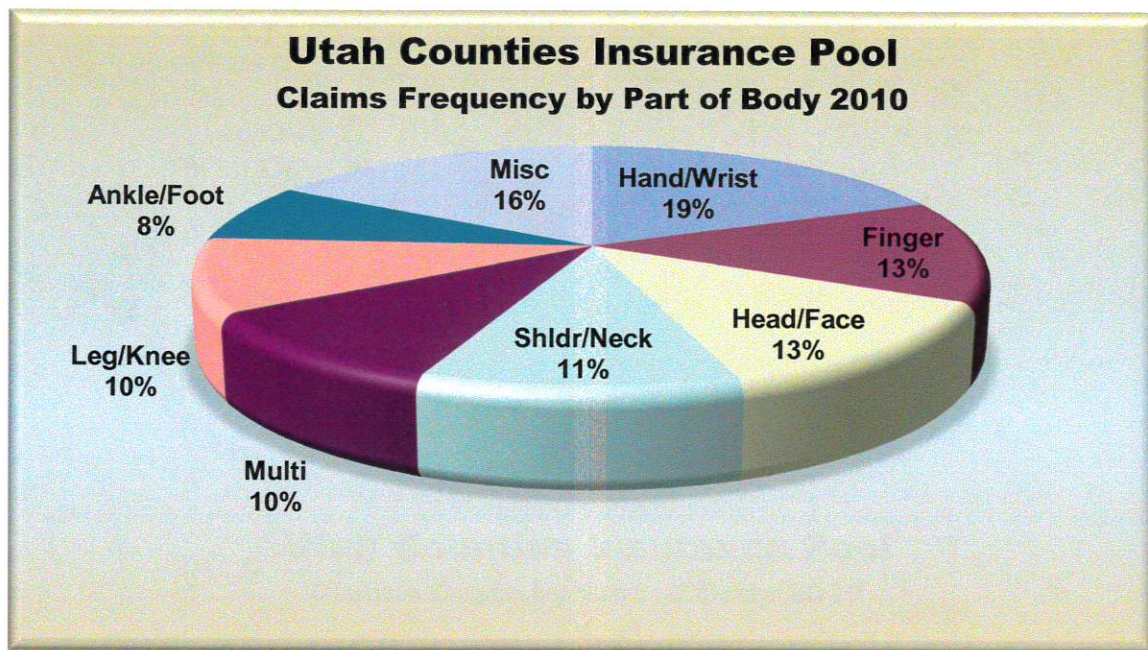
When comparing total incurred costs, Kane County had the highest costs at \$850,197, and Morgan had the lowest claims costs at \$136.



When comparing the average time in days to report claims to WCF from the date of the injury, reporting time varied from 0 days to 45. Reporting time is crucial since statistics show that the more quickly a claim is reported to the insurance carrier, the lower the claims costs associated with that claim. This allows for more prompt medical treatment and better management of the claim.



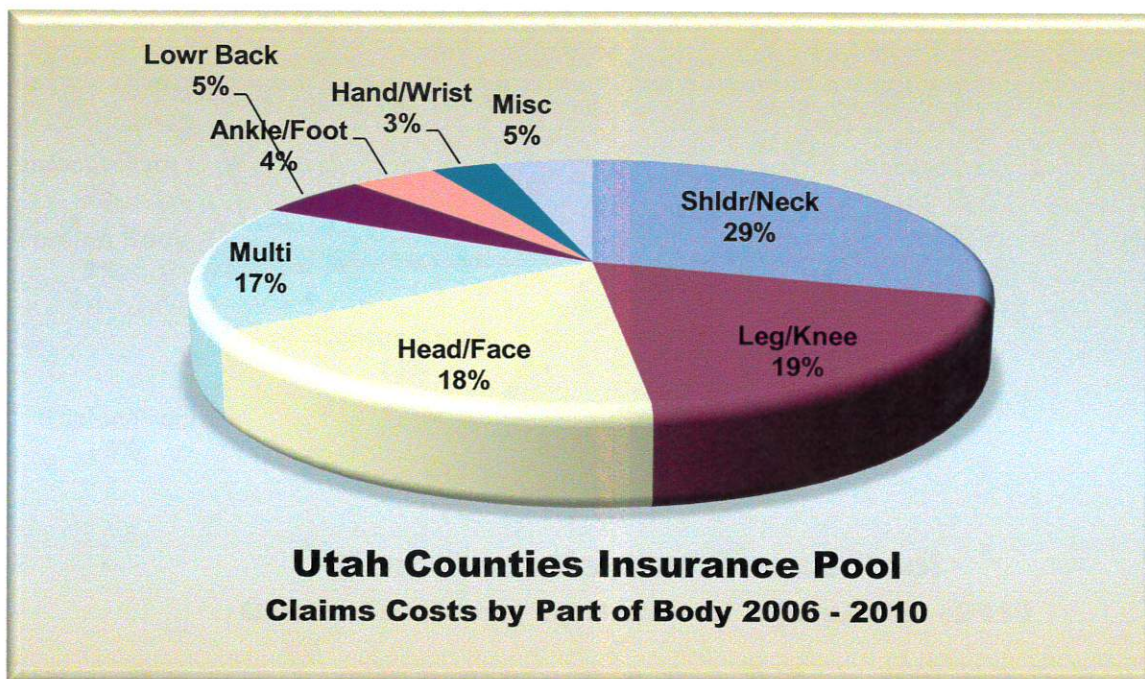
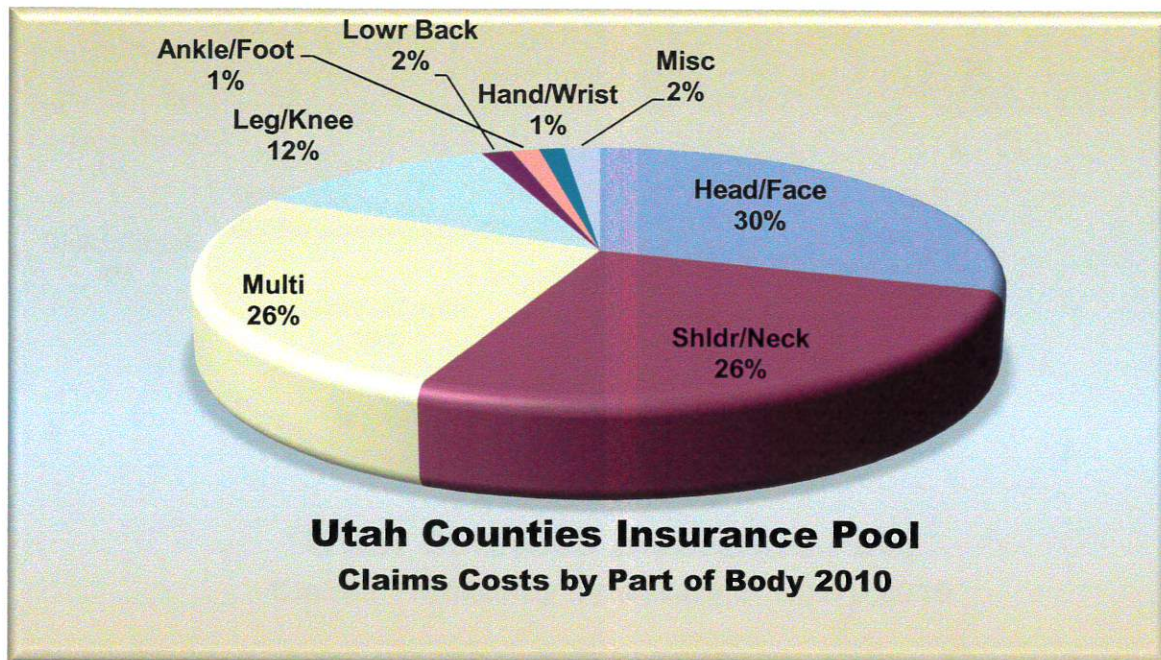
## *Claims Frequency by Part of Body:*



The top pie chart shows claims *Frequency by Part of Body* for UCIP member counties combined for 2010, while the bottom chart illustrates the same for a five year period, 2006 through 2010. The percentages with respect to Part of Body have remained fairly consistent when comparing a single year with a five year period.



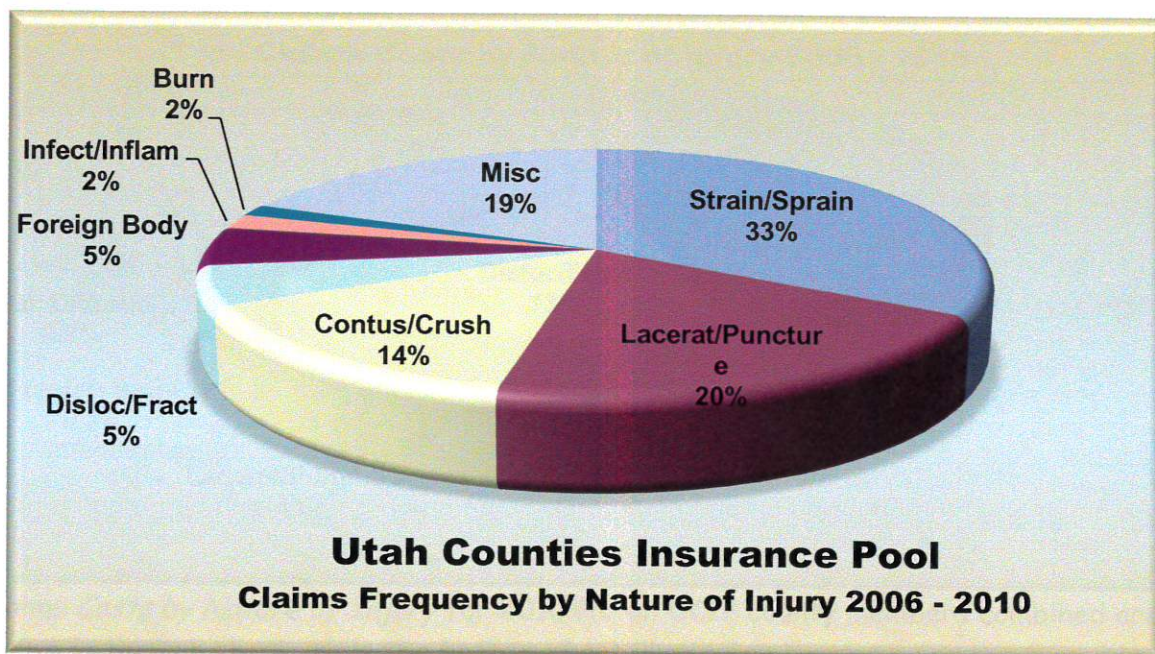
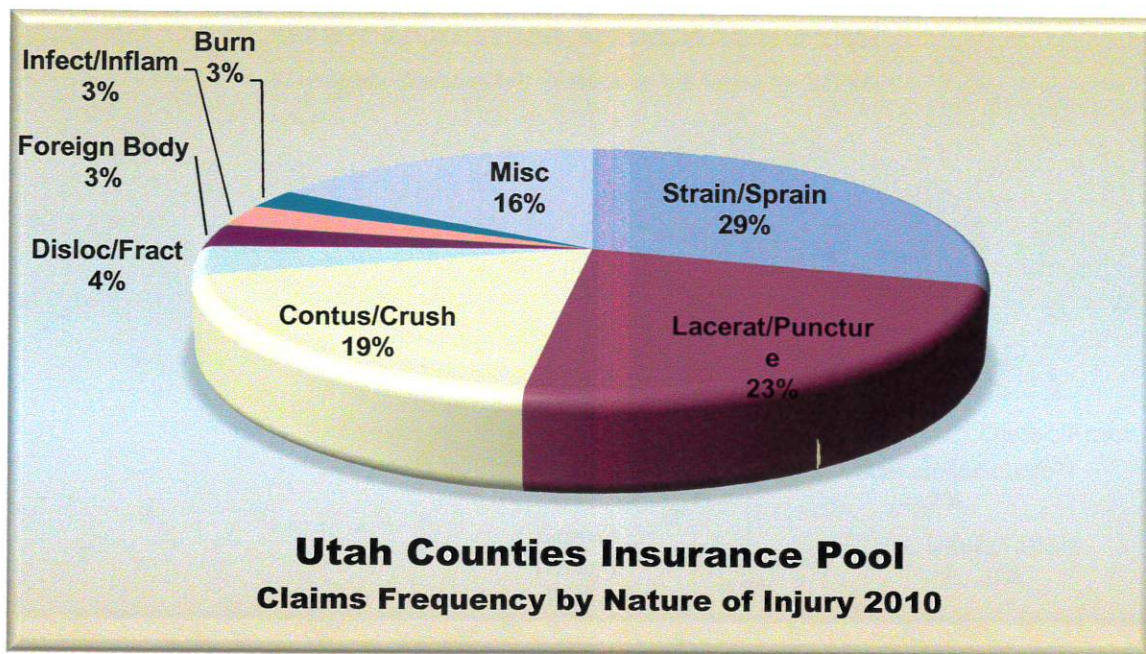
## *Claims Costs by Part of Body:*



The top pie chart illustrates claims *Costs by Part of Body* for all UCIP member counties combined for 2010, while the bottom chart illustrates the same for a five year period, 2006 through 2010. The top four claims by Part of Body for both 2010 and the 2006 - 2010 periods were Head/Face, Shoulder/Neck, Leg/Knee, and Multiple Body Parts.



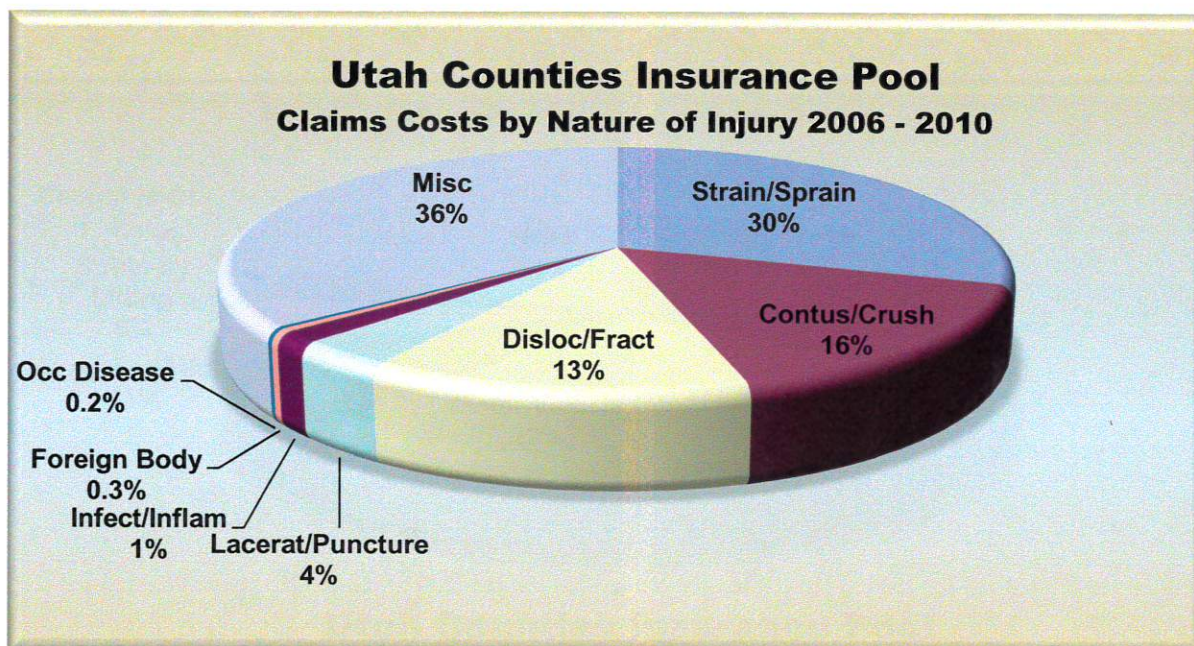
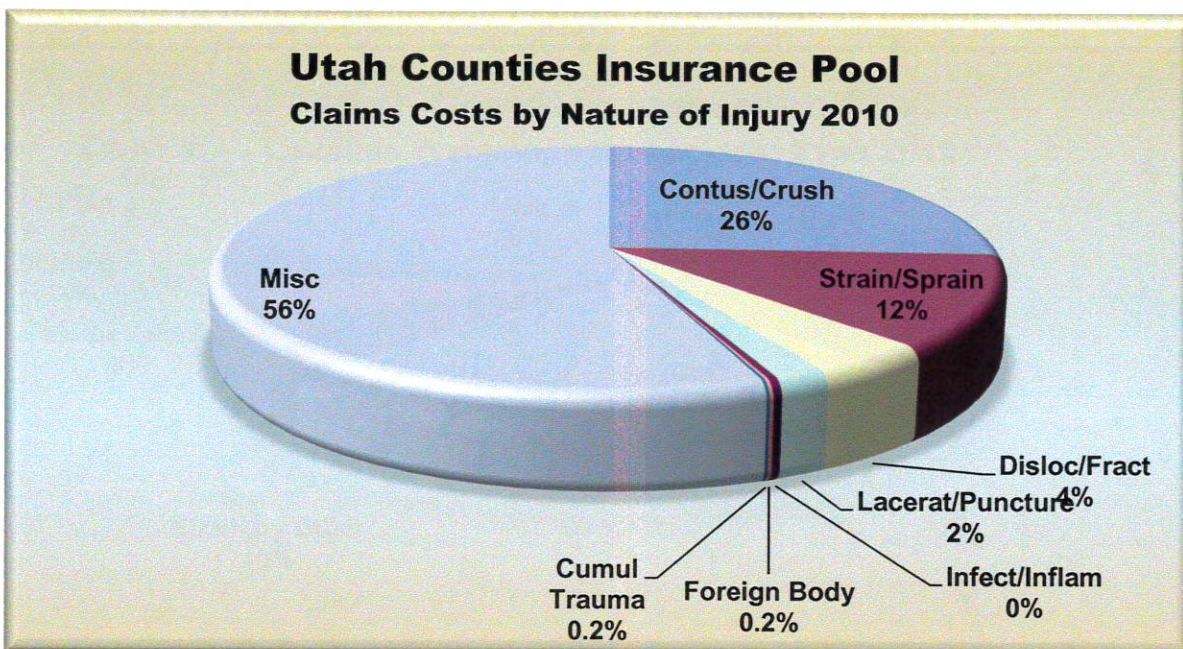
### *Claims Frequency by Nature of Injury:*



The top pie chart shows claims *Frequency by Part of Body* for all UCIP member counties combined for 2010, while the bottom chart illustrates the same for a five year period, 2006 through 2010. The occurrence of Strains/Sprains, Laceration/Punctures, and Contusions/Crushing s has remained fairly consistent for the UCIP membership as a whole.



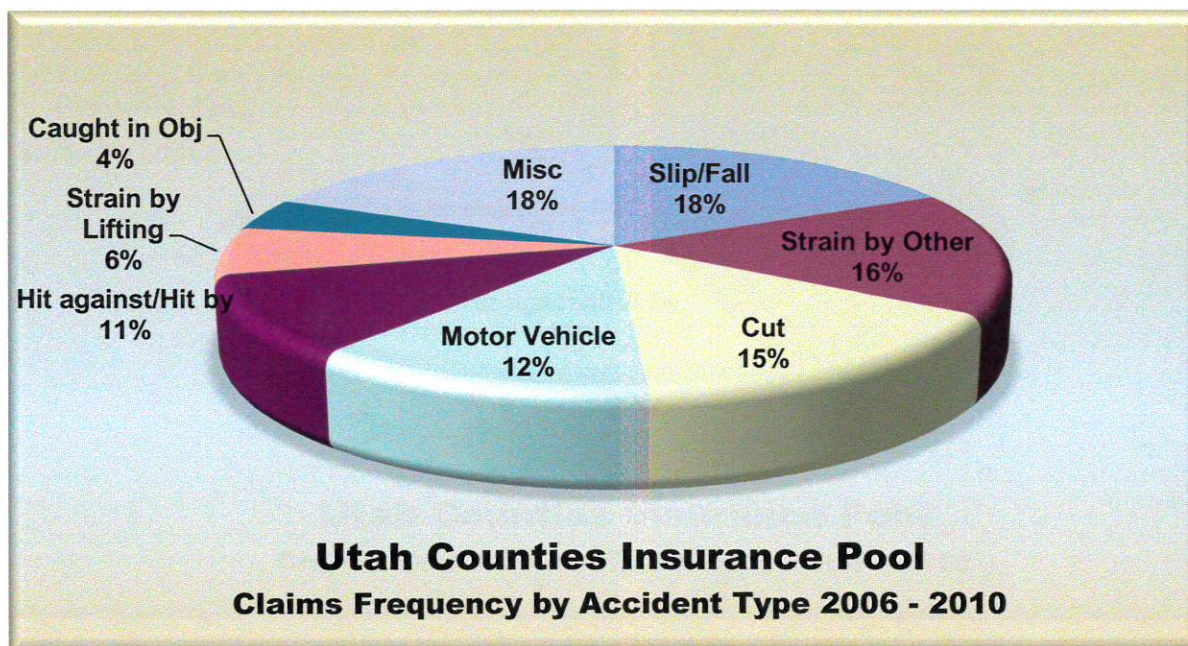
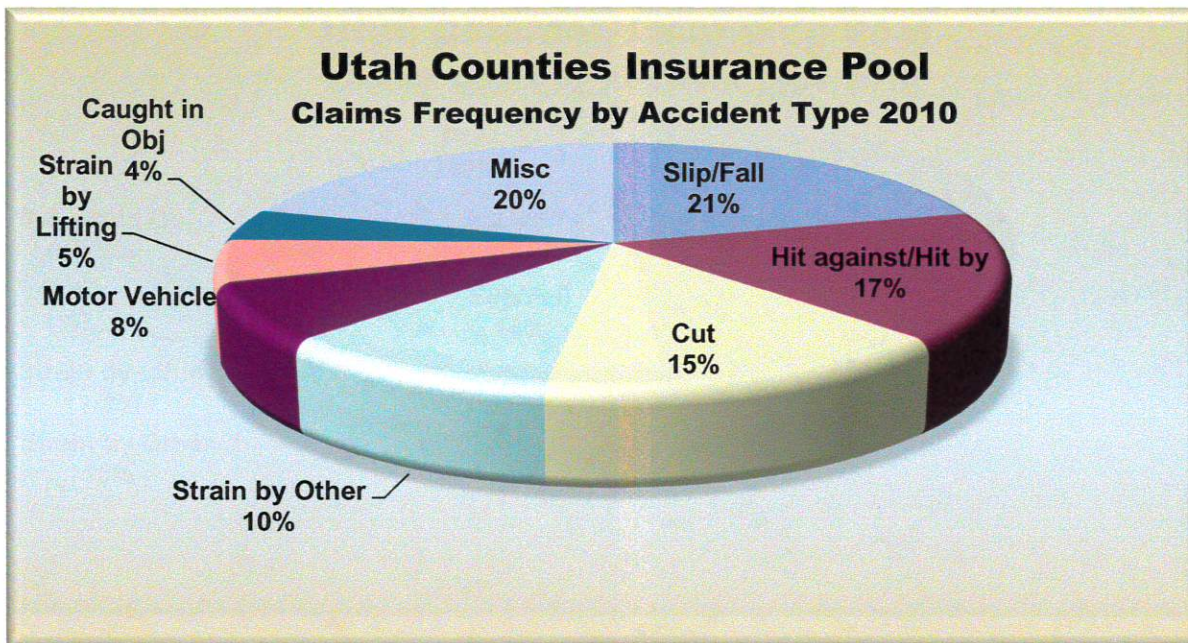
## *Claims Costs by Nature of Injury:*



Claims Costs by Nature of Injury for 2010 for all UCIP county members combined are shown in the top chart, while the bottom chart illustrates the same for the five year period 2006 through 2010. Claims costs varied when categorized by nature of injury between the five year period and 2010. The most costly claims for 2010 were classified as Miscellaneous, and Contusion/Crushing. These were mostly due to the law enforcement shooting and traffic incidents which were coded in these two category. Aside from these, Strains/Sprains were the third highest cost.



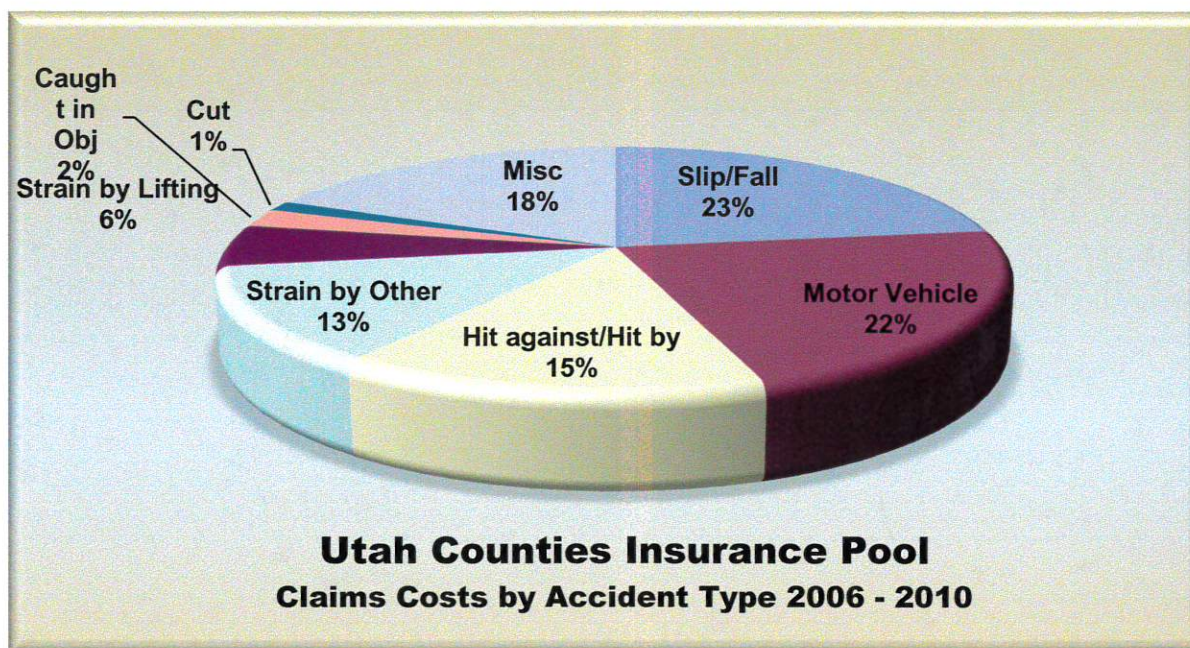
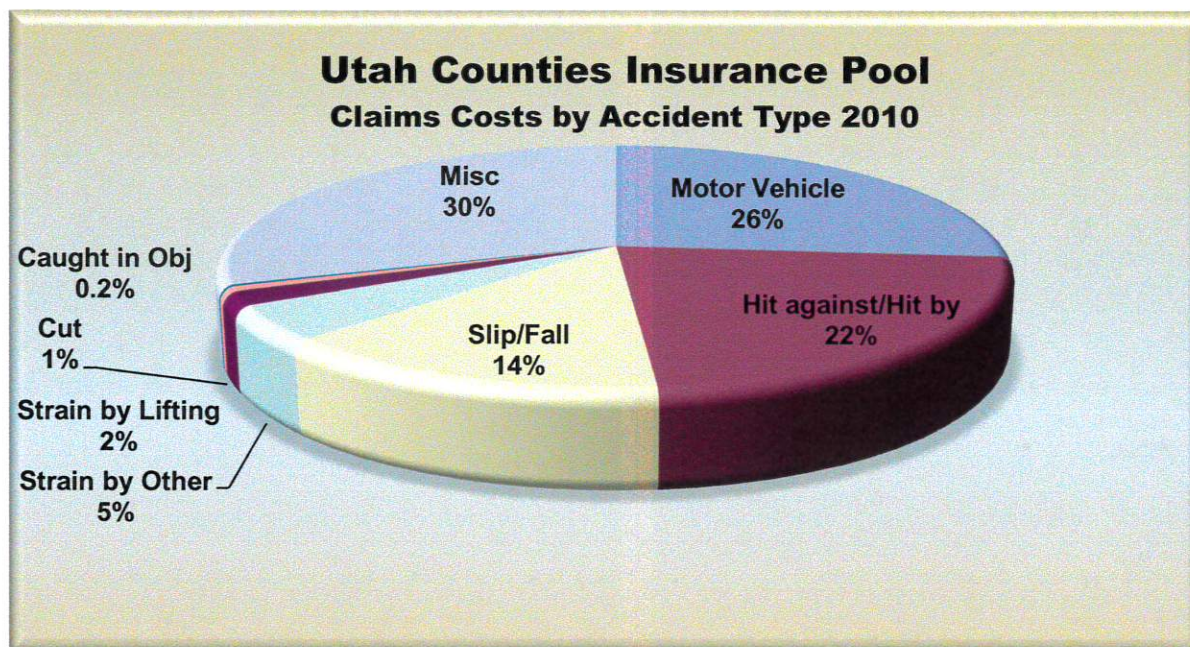
### *Claims Frequency by Accident Type:*



The top pie chart shows claims *Frequency by Accident Type* for all UCIP member counties combined for 2010, while the bottom chart illustrates the same for a five year period, 2006 through 2010. Slips/Falls and Cuts have remained remarkably consistent when comparing the experience for 2010 to the five year period.



## Claims Costs by Accident Type:



The top chart illustrates claims *Costs by Accident Type* for all UCIP member counties combined for 2010, while the bottom chart shows the same for a five year period, 2006 through 2010. Slips/Falls, Hit Against/Hit By and Motor Vehicle Accidents continue to be the most costly accident types. The previously mentioned claims for county law enforcement were coded in the Hit Against/ Hit By, Motor Vehicle, and Miscellaneous categories.







## MEMORANDUM

**To:** UCIP Board of Trustees

**From:** Johnnie Miller

**Date:** February 3, 2011

**Re:** Washington County St. George Interlocal Agency (Dixie Center)

---

During the 2010 exposure update process, UCIP determined that the Dixie Center is not directly owned and managed by Washington County, but is owned by the Washington County Municipal Building Authority, then leased and managed by the Washington County/St. George Interlocal Agency (WCIA). While we have been charging Washington County for liability coverage on the Dixie Center, it is the WCIA that would be liable for claims at the center. I am recommending the Board approve the WCIA as a separate member, and provide the liability coverage directly to them.

While the WCIA does not meet the Board's current policy for special district and other political subdivision membership, it is very close to meeting those standards. The special district membership policy currently requires the following:

- (a) (T)he Member county must have the following controls over the entity through the Member county's governing body:
  - i. The governing body of the Member county must approve and/or appoint 50% or more of the governing body of the entity; and
  - ii. The governing body of the Member county must appropriate 50% or more of the funding of the entity; and
  - iii. The governing body of the Member county must have the authority to hire and terminate the employees of the entity.

The WCIA's structure compares to these standards as follows:

- i. The governing body is comprised of 3 County Commissioners, 3 City Councilmen, and 1 representative of the Dixie Special Service District. While the county does not have 50% or more control of the board, no other entity has a majority either.
- ii. The county does appropriate more than 50% of the funding of the entity.
- iii. The entity has no employees. The county provides its own employees who provide marketing and administration services, while the city provides their employees building maintenance.

Total impact on contributions is a reduction in liability costs for the county, with the charge to WCIA being less than the current charge to the county. If the property coverage were transferred, the cost would be the same as currently charged to the county.

Based on the structure of this particular Interlocal agency, I would recommend the Board approve membership of the WCIA for liability coverage. The property coverage for the Dixie Center is covered currently under the county's membership. If it is determined that the property coverage is more appropriately placed with the WCIA, we would transfer that coverage from the county to the Interlocal.

JRM/jrm

## WASHINGTON COUNTY COMMISSION

197 E. Tabernacle ♦ St. George, Utah 84770

Telephone: (435) 634-5700 ♦ FAX: (435) 634-5753

Commissioner Alan Gardner  
alan.gardner@washco.utah.gov

Commissioner James Eardley  
jim.eardley@washco.utah.gov

Commissioner Denny Drake  
denny.drake@washco.utah.gov

### FACSIMILE TRANSMISSION

<b>DATE:</b> November 30, 2010	<b>SUBJECT:</b> WCIA
<b>TO:</b> Johnnie Miller	<b>FAX NO.</b> 801 307 2121
<b>FROM:</b> Christine Hall	

Johnnie, here is the Interlocal Agreement creating the WCIA.

Any questions, give me a call.

Chris

Please Note: The information contained in this facsimile message is privileged and confidential and is intended only for the use of the individual or entity named above and others who have been specifically authorized to receive it. If you are not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received the communication in error, or if any problems occur with transmission, please notify us immediately by telephone. Thank you.

Hard Copy to Follow: \_\_\_\_\_ Yes \_\_\_\_\_ No

319768.003(PF)

## INTERLOCAL COOPERATIVE AGREEMENT

This Interlocal Cooperative Agreement is entered into by WASHINGTON COUNTY (the "County"), a political subdivision of the State of Utah; and the CITY OF ST. GEORGE (the "City"), a Utah municipal corporation, as of the 6<sup>th</sup> day of ~~December, 1996~~ *January, 1997*, for the purpose of forming a separate legal entity to more efficiently provide governmental facilities, services and improvements for their citizens.

## RECITALS

WHEREAS, the Utah Interlocal Co-operation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Act"), permits local governmental units including cities, counties, and political subdivisions of the State of Utah to make the most efficient use of their powers by enabling them to cooperate with other public agencies on the basis of mutual advantage and to create a separate legal entity to more efficiently provide governmental facilities, services and improvements to the general public; and

WHEREAS, the County is committed to promoting the health and welfare and enhancing the quality of life for its citizens, including those of the City of St. George, the principal city of Washington County and the county seat; and

WHEREAS, the County is committed to develop recreational, tourist, cultural and convention facilities within Washington County and to utilize funding derived from the local transient room tax and restaurant tax levy imposed by the County under Section 59-12-603, Utah Code Annotated 1953, as amended; and

WHEREAS, the City is committed to enhancing the arts and cultural opportunities available to its citizens and promoting economic vitality within its corporate limits by utilizing funding derived from business license fees, sales taxes and/or other legally available moneys of the City; and

WHEREAS, the Board of Commissioners of the County and the City Council of the City have determined that the creation of a separate legal entity to provide for the acquisition, construction, equipping and operation and maintenance of recreational, tourist, cultural and convention facilities (the "Facilities") to be located within the City will enhance recreation, tourism, cultural events and conventions in Washington County, will enhance the cultural arts available to County and City residents, and will strengthen the economic base of the County and the City; and

WHEREAS, the County and the City desire to enter into this Interlocal Cooperative Agreement to create a separate legal entity to provide for the funding, construction and operation and maintenance of the Facilities; and

WHEREAS, this Interlocal Cooperative Agreement shall not become effective until it is first approved by resolution of the Board of Commissioners of the County and the City Council of the City, as evidenced by the execution hereof by the appropriate officers of the County and City:

NOW, THEREFORE, the County and City hereby express their commitments and agree as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATIONS

Section 1.1. Meanings and Constructions. The terms defined in this section, for all purposes of this Interlocal Cooperative Agreement and any amendments hereto, shall have the meanings herein set forth:

(1) "Act" shall mean the Interlocal Co-operation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended.

(2) "Board of Commissioners" shall mean the Board of Commissioners of the County.

(3) "Bonds" shall mean bonds, notes, certificates, debentures, contracts or other evidences of indebtedness or borrowing issued or incurred by WCIA pursuant to the Act.

(4) "City" shall mean the City of St. George, Utah, and its successors.

(5) "City Council" shall mean the City Council of the City.

(6) "County" shall mean Washington County, Utah and its successors.

(7) "Dixie Special Service District" shall mean the Dixie Special Service District, Washington County, Utah, and its successors.

(8) "Facilities" shall mean the recreational, tourist, cultural and convention facilities to be initially owned and operated by WCIA which are anticipated to be located in St. George, Utah.

(9) "Governing Body" shall mean the governing body of WCIA.

(10) "Interlocal Cooperative Agreement" shall mean this Interlocal Cooperative Agreement and any amendments and supplements hereto.



(11) The term "lease" shall mean any lease or any sublease or any operating or management or similar agreement.

(12) "WCIA" shall mean the Washington County/St. George Interlocal Agency created by this Interlocal Cooperative Agreement pursuant to the Act. ~~WCIA is deemed a political subdivision of the State of Utah.~~

Section 1.2. Interpretations. This Interlocal Cooperative Agreement, except where the context by clear implication herein otherwise requires, shall be construed as follows:

- (a) definitions include both singular and plural;
- (b) pronouns include both singular and plural and cover both genders;  
and
- (c) the captions or headings of this Interlocal Cooperative Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision, article or section of this Interlocal Cooperative Agreement.

Section 1.3. Successors. Whenever herein WCIA is named or is referred to, such provision shall be deemed to include the successors of WCIA, whether so expressed or not.

## ARTICLE II

### FORMATION AND POWERS OF WCIA

Section 2.1. Formation of WCIA. The Act provides for the creation of a separate legal entity through the execution and approval by resolution of an agreement between the County and the City. This Interlocal Cooperative Agreement creates the Washington County/St. George Interlocal Agency to be known as "WCIA". WCIA is a separate legal entity and political subdivision under the Act and shall have the power to issue Bonds to help the County and the City to finance, construct, equip and maintain the Facilities. WCIA shall be a not-for-profit entity. Any net earnings of WCIA (other than those required to retire indebtedness of WCIA or to implement any program undertaken by it) will not inure to the benefit of any private person.

Section 2.2. Powers of WCIA. WCIA shall have the power to:

- (a) own, acquire, construct, operate, maintain and repair or cause to be constructed, operated, maintained and repaired the Facilities and any related facility or improvement including the existing Dixie Center located in the City;

(b) borrow money or incur indebtedness, issue Bonds for the purposes for which it was created, assign, pledge or otherwise convey as security for the payment of any such Bonds the revenues and receipts from the Facilities, which assignment, pledge or other conveyance may rank prior in right to any other obligation except taxes or payments in lieu thereof payable to the State of Utah or its political subdivisions;

(c) sell or contract for the sale of the product of or the service, or other benefits from the Facilities to public agencies within or without the State of Utah on such terms as it deems to be in the best interest of the County and the City; and

(d) WCIA may exercise any power or powers, privileges or authority exercised or capable of exercise by the County and the City individually, including the power to lease the Facilities to the County and/or City and to pledge the Facilities as security for the payment of any Bonds issued hereunder.

### ARTICLE III

#### GOVERNANCE OF WCIA

WCIA shall be governed by the Governing Body. The Governing Body shall be composed of five (5) persons, two of whom shall be appointed by the Board of Commissioners, two of whom shall be appointed by the City Council, and one of whom shall be appointed by the governing body of the Dixie Center Special Service District; provided, however, that if the Dixie Center Special Service District is dissolved, the member originally appointed by the Dixie Center Special Service District shall be replaced by a member to be elected by the Board of Commissioners and City Council. The Governing Body shall administer the affairs of WCIA. Each member of the Governing Body shall have one vote in any actions taken or proceedings adopted by the Governing Body. Members of the Governing Body shall each serve for a term of two years beginning on the first Tuesday of January after the effective date hereof, provided, however, that the initial term of two appointed Members (one Board of Commissioners appointee and one City Council appointee) shall expire four years after the first Tuesday of January after the effective date hereof, so that the term of office of at least two appointed Members shall expire every two years. The Members of the Governing Body appointed by the Board of Commissioners shall be removable, with or without cause, by the Board of Commissioners, and the Members of the Governing Body appointed by the City Council shall be removable, with or without cause, by the City Council. The Member of the Governing Body appointed by the Board of Commissioners and City Council shall be removable, with or without cause, by a majority vote of the Governing Body. The Governing Body shall adopt by-laws that are not in conflict with this Interlocal Cooperative Agreement by a majority vote of its members. A Chair, Secretary

and Treasurer shall be selected by the Governing Body in the manner and for such term as shall be described in the by-laws.

The Governing Body shall meet at such times as provided in its by-laws, with a quorum present, whether corporal or by means of electronic equipment, for the purpose of discussing or acting upon a matter or matters over which it has jurisdiction. For this purpose, a quorum consists of at least three members of the Governing Body.

#### ARTICLE IV

##### LIMITATIONS ON WCIA

The full faith and credit powers of the County and the City shall not be pledged directly for payment of any Bonds issued by WCIA. Neither the County nor the City shall incur any pecuniary liability until they fund or purchase or lease property acquired with the proceeds of the Bonds issued by WCIA. Once the County or the City purchases or leases property from WCIA, it shall be obligated to WCIA solely for its loan or purchase or lease payments as provided by agreement between WCIA and such County or City.

#### ARTICLE V

##### GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.1. Interlocal Agreement to be Kept on File. The County and the City each covenants that this Interlocal Cooperative Agreement shall be filed with its keeper of records.

Section 5.2. County and City Representatives. Each represents and warrants that it is a political subdivision of the State of Utah and is authorized to enter into the transactions contemplated by this Interlocal Cooperative Agreement and to carry out its obligations hereunder.

Section 5.3. No Litigation Representation. Each represents and warrants that there is no litigation or legal or governmental action, proceeding, inquiry or investigation pending or threatened to which the County or City, as applicable, is a party or to which any of its property is subject which if determined adversely to said County or City, would individually or in the aggregate (i) affect the validity or the enforceability of this Interlocal Cooperative Agreement, or (ii) otherwise materially adversely affect the ability of the said County or City to comply with its obligations under this Interlocal Cooperative Agreement or the transactions contemplated by this Interlocal Cooperative Agreement.

## ARTICLE VI

## COMMITMENTS BY COUNTY AND CITY

Section 6.1. Determination of Value of Facilities. The Board of Commissioners and City Council shall each determine that the Facilities, when completed, will prove a valuable asset to their respective constituents and the development thereof is fully consistent with their respective institutional missions and the public interest.

Section 6.2. Security for Financings. To facilitate the financing of the Facilities, the County and the City each anticipates entering into a lease or other financing arrangement with WCLA with respect to the operation and utilization of the Facilities. Although the County and the City cannot be legally bound beyond their current fiscal year for payments to be made to WCLA with respect to the operation and utilization of the Facilities, they nonetheless intend to fund their annually renewable obligations to WCLA from certain sales taxes, transient room taxes and other legally available moneys. In addition, the County and the City will enter into such contracts and agreements as shall be required to provide for the operation, maintenance, and repair of the Facilities and may submit their interest in the Facilities to the securing of any Bonds issued by WCLA.

## ARTICLE VII

## GRANT OF EMINENT DOMAIN POWER

For purposes of establishing WCLA as a political subdivision, the County and the City each hereby grants to WCLA its power of eminent domain to accomplish the purposes for which WCLA has been created.

## ARTICLE VIII

GENERAL PROVISIONS CONCERNING  
THIS INTERLOCAL COOPERATIVE AGREEMENT

Section 8.1. Operating Budget. The fiscal year of WCLA shall end on each December 31. The Governing Body of WCLA shall adopt an annual budget for each fiscal year in compliance with the Uniform Fiscal Procedures Act for Counties, Title 17, Chapter 36, Utah Code Annotated 1953, as amended. Prior to final adoption, the budget shall be approved by the City Council and the Board of Commissioners, and shall not be effective until so approved.

Section 8.2. Termination of Agreement.

(a) This Interlocal Cooperative Agreement shall be in full force and effect and be legally binding upon the County and the City only after its execution and approval by resolution by the Board of Commissioners and City Council. Thereafter this Interlocal Cooperative Agreement shall continue as a binding contract and shall not terminate until the later of the date thirty (30) years after the effective date hereof or such later date upon which all Bonds of WCIA and other contractual obligations have been retired, but in no event later than the date fifty (50) years after the effective date of this Interlocal Cooperative Agreement.

(b) Upon termination of this Interlocal Cooperative Agreement, title to all assets of WCIA upon its dissolution shall revert to the County and the City in proportion to their commitment to secure payment on any Bonds issued by WCIA. The Governing Body is hereby authorized to take such actions as shall be necessary to effectuate the termination of WCIA and to dispose of the property of WCIA.

Section 8.3. Assignment. Neither the County nor the City may assign any interest herein without consent of the other party to this Interlocal Cooperative Agreement and receipt by WCIA of an opinion of nationally recognized bond counsel to the effect that such assignment is authorized under the Act and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds, should the interest on the Bonds be excluded from taxation for federal income tax purposes. The terms of this Interlocal Cooperative Agreement shall inure to the benefit of and be binding upon the respective representatives and successors of the County and the City.

Section 8.4. Counterparts. This Interlocal Cooperative Agreement may be executed in several counterparts, any one of which shall be regarded for all purposes as one original. The County and the City agree that they will execute any and all deeds, instruments, documents and resolutions or ordinances necessary to give effect to the terms of this Interlocal Cooperative Agreement.

Section 8.5. Entire Contract. This Interlocal Cooperative Agreement merges and supersedes all prior negotiations, representations and agreements between the County and the City relating to the subject matter hereof and constitutes the entire contract between the County and the City concerning the formation and powers of WCIA.

Section 8.6. Amendment. This Interlocal Cooperative Agreement shall not be modified or amended except in writing, which shall be signed by the duly authorized representative of the County and the City after the adoption of a resolution by the Board of Commissioners and City Council approving the modification or amendment, provided, however, that if WCIA has Bonds outstanding, no amendment to this Interlocal



Cooperative Agreement may be made which would have a material adverse impact on the bondholders without the prior consent of said bondholders.

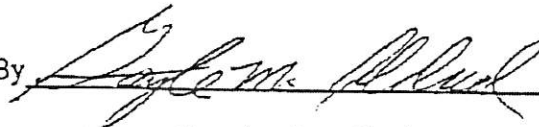
Section 8.7. Attorney's Fees. The prevailing party in any litigation to interpret and/or enforce the provisions of this Interlocal Cooperative Agreement shall be entitled to an award of reasonable attorney's fees and costs, in addition to other available relief. Other than is expressly provided in this Interlocal Cooperative Agreement, no breach of this Interlocal Cooperative Agreement shall entitle any party to unilaterally cancel, rescind or terminate this Interlocal Cooperative Agreement; but such limitations shall not affect in any manner any other rights or remedies which either party may have by reason of any such breach.

Section 8.8. Severability. Whenever possible each provision of this Interlocal Cooperative Agreement shall be interpreted in such a manner as to be valid; but, if any provision of this Interlocal Cooperative Agreement shall be held, in a final judicial determination, to be invalid or prohibited under applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provisions of this Interlocal Cooperative Agreement. Notwithstanding the foregoing, however, should such judicially determined invalidity of any provision of this Interlocal Cooperative Agreement frustrate the intended purpose of the member entities, as expressed herein, such invalidity shall cause this Interlocal Cooperative Agreement to be terminated, with the parties, to the extent possible, to be restored to the status quo as though this Interlocal Cooperative Agreement had not been signed.


Section 8.9. Governing Law. This Agreement shall be governed by the laws of the State of Utah.

IN WITNESS WHEREOF, the parties have caused this Interlocal Cooperative Agreement to be executed by their duly authorized representatives as of the date first written above.

WASHINGTON COUNTY

By   
Title Commission Chairman

Attest:

  
Date: January 6, 1997

Approved as to form and as compatible  
with State law:

By Eric A. Rudlow  
Washington County Attorney

CITY OF ST. GEORGE

By Daniel D. Miller  
Title Mayor

Attest:

Barbara Hunt  
Date: 1/28/97

Approved as to form and as compatible  
with State law:

By [Signature]  
City of St. George Attorney

WASHINGTON COUNTY, UTAH  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: OCTOBER 31ST, 2010

PAGE: 104

29 -DIXIE CENTER

% OF YEAR COMPLETED: 83.33

REVENUE	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<u>CHARGES FOR SERVICES</u>						
29-3441-000-000 EXHIBIT HALLS	207,000	24,275.00	160,234.49	0.00	46,765.51	77.41
29-3443-000-000 MEETING ROOMS	175,060	5,500.00	155,636.65	0.00	19,423.35	88.90
29-3450-000-000 RENTALS	360,650	37,689.81	336,468.46	0.00	24,181.54	93.30
29-3470-000-000 FOOD SERVICE	353,940	42,092.46	331,779.21	0.00	22,160.79	93.74
29-3480-000-000 OTHER REVENUE	<u>74,350</u>	<u>21,171.90</u>	<u>70,228.35</u>	<u>0.00</u>	<u>4,121.65</u>	<u>94.46</u>
TOTAL CHARGES FOR SERVICES	1,171,000	130,729.17	1,054,347.16	0.00	116,652.84	90.04
<u>MISCELLANEOUS REVENUE</u>						
29-3611-000-000 INTEREST - PTIF ACCOUNT	<u>25,000</u>	<u>153.51</u>	<u>3,196.82</u>	<u>0.00</u>	<u>21,803.18</u>	<u>12.79</u>
TOTAL MISCELLANEOUS REVENUE	25,000	153.51	3,196.82	0.00	21,803.18	12.79
<u>CONTRIBUTIONS/TRANSFERS</u>						
29-3810-000-000 REVENUE FROM FUND 26	990,000	82,500.00	825,000.00	0.00	165,000.00	83.33
29-3820-000-000 REVENUE FROM FUND 25	700,000	58,333.33	583,333.30	0.00	116,666.70	83.33
29-3830-000-000 ST. GEORGE CITY PYMTS	898,100	73,042.20	494,737.66	0.00	403,362.34	55.09
29-3890-000-000 FUND BLANCE APPROPRIATI	<u>150,000</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>150,000.00</u>	<u>0.00</u>
TOTAL CONTRIBUTIONS/TRANSFERS	2,738,100	213,875.53	1,903,070.96	0.00	835,029.04	69.50
<u>TOTAL REVENUE</u>						
TOTAL REVENUE	3,934,100	344,758.21	2,960,614.94	0.00	973,485.06	75.26

WASHINGTON COUNTY, UTAH  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: OCTOBER 31ST, 2010

PAGE: 105

29 -DIXIE CENTER

DEPARTMENT - DIXIE CENTER OPERATIONS

% OF YEAR COMPLETED: 83.33

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
29-4321-110-000 SALARIES AND WAGES	134,700	15,736.50	112,692.60	0.00	22,007.40	83.66
29-4321-112-110 CITIES: SALARY & WAGE	383,080	30,128.82	299,019.95	0.00	84,060.05	78.06
29-4321-112-120 CITIES: SALARY & WAGE	120,000	11,753.94	75,323.30	0.00	44,676.70	62.77
29-4321-112-121 CITIES: OVERTIME	12,000	0.00	317.48	0.00	11,682.52	2.65
29-4321-112-130 CITIES: EMPLOYEE BENE	199,920	16,196.41	151,492.65	0.00	48,427.35	75.78
29-4321-130-000 EMPLOYEE BENEFITS	57,700	6,136.20	45,463.43	0.00	12,236.57	78.79
29-4321-140-000 SEASONAL HELP	20,000	2,118.29	20,164.55	0.00 (	164.55)	100.82
29-4321-230-000 MARKETING & TRAVEL	13,400	107.92	6,132.83	0.00	7,267.17	45.77
29-4321-241-000 OFFICE SUPPLIES	22,300	1,598.48	15,577.43	0.00	6,722.57	69.85
29-4321-242-000 POSTAGE	2,000	15.99	787.01	0.00	1,212.99	39.35
29-4321-244-000 REIMBURSE EXPENSE	7,000	0.00	4,067.80	0.00	2,932.20	58.11
29-4321-255-000 BLDG MAINTENANCE	72,000	4,741.29	57,290.37	0.00	14,709.63	79.57
29-4321-260-000 CUSTODIAL SUPPLIES	24,000	1,311.44	18,211.60	0.00	5,788.40	75.88
29-4321-261-000 BANK/CREDIT CARD FEES	2,000	0.00	4,526.86	0.00 (	2,526.86)	226.34
29-4321-262-000 CONTRACT SERVICES	32,000	8,169.45	29,236.88	0.00	2,763.12	91.37
29-4321-263-000 ELECTRICAL SERVICE	5,000	1,591.00	7,159.00	0.00 (	2,159.00)	143.18
29-4321-268-000 FLEET SERVICE	2,000	3,560.98	3,560.98	0.00 (	1,560.98)	178.05
29-4321-268-100 CITIES: FLEET MAINTEN	500	0.00	552.32	0.00 (	52.32)	110.46
29-4321-269-000 FUEL	3,000	36.38	765.91	0.00	2,234.09	25.53
29-4321-269-100 CITIES: FUEL	500	39.46	550.80	0.00 (	50.80)	110.16
29-4321-270-000 SPECIAL SUPPLIES	24,000	1,454.07	15,004.86	0.00	8,995.14	62.52
29-4321-280-000 TELEPHONE	16,500	1,464.65	12,708.64	0.00	3,791.36	77.02
29-4321-291-000 UTILITIES	202,000	18,728.85	173,184.03	0.00	28,815.97	85.73
29-4321-310-000 PROF SERVICE	10,500	0.00	11,976.00	0.00 (	1,476.00)	114.06
29-4321-312-000 INMATES	30,000	1,387.31	15,800.73	0.00	14,199.27	52.67
29-4321-350-000 TRAINING	4,000	63.00	831.45	0.00	3,168.55	20.79
29-4321-430-000 ADVERTISING	6,000	1,869.36	6,589.36	0.00 (	589.36)	109.82
29-4321-437-000 PRINT & PRODUCTION	5,800	0.00	3,009.39	1,557.50	1,233.11	78.74
29-4321-452-000 UNIFORM	2,500	432.00	1,494.43	0.00	1,005.57	59.78
29-4321-513-000 INSURANCE	55,500	4,620.67	46,206.70	0.00	9,293.30	83.26
29-4321-610-000 MISCELLANEOUS EXPENSE	0	0.00	325.65	0.00 (	325.65)	0.00
29-4321-720-000 BUILDING CONSTRUCTION	0	3,852.51	153,161.71	0.00 (	153,161.71)	0.00
29-4321-730-000 CAPITAL PROJECTS	135,550	0.00	100,085.20	45,601.00 (	10,136.20)	107.48
29-4321-740-000 EQUIPMENT PURCHASES	36,600	1,165.64	30,253.51	9,882.13 (	1,535.64)	109.66
29-4321-745-000 EQUIPMENT UNDER \$1000	500	275.00	1,762.78	0.00 (	1,262.78)	352.56
29-4321-770-000 CONTINGENT EXP	53,150	0.00	0.00	0.00	53,150.00	0.00
29-4321-780-000 BAD DEBT	500	2,040.63	2,040.63	0.00 (	1,540.63)	408.13
TOTAL DIXIE CENTER OPERATIONS	1,696,200	140,595.61	1,427,328.82	57,040.63	211,830.55	87.51

WASHINGTON COUNTY, UTAH  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: OCTOBER 31ST, 2010

PAGE: 106

29 -DIXIE CENTER

DEPARTMENT - BOND EXPENSES

% OF YEAR COMPLETED: 83.33

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
29-4710-810-000 WCIA BOND PRINCIPAL	1,149,000	0.00	0.00	0.00	1,149,000.00	0.00
29-4710-820-000 INTEREST ON BOND	1,036,400	44,717.38	813,276.87	0.00	223,123.13	78.47
29-4710-821-000 BOND ISSUANCE COSTS	<u>52,500</u>	<u>0.00</u>	<u>15,708.44</u>	<u>0.00</u>	<u>36,791.56</u>	<u>29.92</u>
TOTAL BOND EXPENSES	2,237,900	44,717.38	828,985.31	0.00	1,408,914.69	37.04
TOTAL EXPENDITURES	3,934,100	185,312.99	2,256,314.13	57,040.63	1,620,745.24	58.80
REVENUE OVER/(UNDER) EXPENDITURES	0	159,445.22	704,300.81 (	57,040.63)(	647,260.18)	0.00





## **TOOELE COUNTY RECREATION SPECIAL SERVICE DISTRICT**

**AUTHORITY:** To provide recreation and related services and facilities under Section 17A-2-1301 U.C.A. 1953. Designated to receive mineral lease monies and state payments in lieu of taxes.

**ESTABLISHED:** November 28, 1989 by Tooele County Resolution No. 89-19

**BOUNDARIES:** Includes all of Tooele County, except cities, towns and the Stansbury Recreation Service Areas.

**GOVERNING AUTHORITY:** Administrative Control Board delegated all rights and power allowed by law. (Power to tax and issue bonds retained by County Commissioners.)

**BOARD COMPOSITION:** Five member board, appointed by the Tooele County Commission to four year terms. Three members of the first were appointed to a 3 year term and two members appointed to a 5 year term. Subsequent appointments shall be for 4 year terms.

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+Russell Steadman	12-31-07
Ken Baker	12-31-04
Travis McCluskey	12-31-04
Lois McArthur	12-31-04
+Walt Shubert	12-31-07

---

+2nd Term

*Resolution 89-19*

Tooele, Utah

November 28, 1989

The Board of County Commissioners of Tooele County, Utah, met in regular public session at the regular meeting place of said board in the Tooele County Courthouse, 47 South Main, in Tooele, Utah, at 1:30 o'clock p.m., on November 28, 1989.

On roll call, the following members of the board were determined present:

Leland J. Hogan	Commissioner
William E. Pitt	Acting Chairman
Absent	Dr. Kelly H. Gubler

There were also present:

Dennis D. Ewing	County Clerk
Ronald L. Elton	County Attorney

After the meeting had been duly called to order, the County Clerk presented to said board an affidavit evidencing the giving of not less than 24 hours public notice of the agenda, date, time and place of the November 28, 1989, regular meeting in compliance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, by (1) posting written notice of the meeting at the principal office of said board, and (2) providing notice to at least one newspaper of general circulation within the geographic jurisdiction of Tooele County, Utah, or to a local media correspondent. The affidavit was ordered recorded in the minutes of the meeting and is as follows:



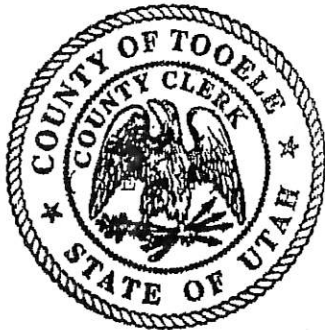
STATE OF UTAH            )  
                              :  
COUNTY OF TOOELE        )

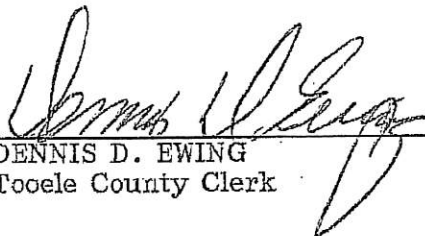
I, Dennis D. Ewing, the duly qualified and acting County Clerk of Tooele County, Utah, and Clerk of the Board of County Commissioners of Tooele County, Utah, do hereby certify, according to the records of the board in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, I gave not less than 24 hours public notice of the agenda, date, time and place of the November 28, 1989, regular public meeting held by the Board of County Commissioners of Tooele County, Utah, by:

(a) causing a Notice of Public Meeting to be posted at the principal office of said board at the Tooele County Courthouse, in Tooele, Utah, on November 21, 1989, at least 24 hours before the convening of the meeting, in the form attached hereto as Exhibit "A"; said Notice of Public Meeting having continuously remained so posted and available for public inspection during the regular office hours of said board until the convening of the meeting; and

(b) causing a copy of the Notice of Public Meeting in the form attached hereto as Exhibit "A" to be provided on November 21, 1989, at least 24 hours before the convening of the meeting, to the Tooele Transcript Bulletin, a newspaper of general circulation within the geographic jurisdiction of Tooele County, Utah, and to any other local media correspondent, newspaper, radio station or television station which has requested notification of meetings of said board.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and  
impressed hereon the official seal of Tooele County, Utah, this 28th day of  
November, 1989.



  
DENNIS D. EWING  
Tooele County Clerk

DENNIS D. EWING  
Tooele County Clerk

LOIS E. MC ARTHUR  
Chief Deputy Clerk



VALERIE LEE  
Deputy Clerk

LARENDA MC CRONE  
Deputy Clerk

## TOOELE COUNTY CLERK

Tooele County Courthouse  
47 South Main Street  
Tooele, Utah 84074  
882-5550, Ext. 341

### NOTICE AND AGENDA

NOTICE IS HEREBY GIVEN THAT THE TOOELE COUNTY BOARD OF COMMISSIONERS OF TOOELE COUNTY WILL HOLD A REGULAR BOARD OF COUNTY COMMISSIONERS MEETING ON TUESDAY, NOV. 28, 1989, AT 1:30 P.M., IN ROOM 310, TOOELE COUNTY COURTHOUSE, 47 SOUTH MAIN STREET, TOOELE, UTAH. THE AGENDA IS AS FOLLOWS:

1. Roll Call
2. Consideration of Resolution Establishing Tooele County Recreation Service District and Creation of Administrative Control Board
3. Appointment of Administrative Control Board Members to Recreation Service District
4. Agreement for Jail Medical Services
5. Approval of Minutes of Previous Meeting
6. Petitions, Remonstrances and Communications
7. Tax Adjustments
8. Approval of Bills
9. Personnel Actions
10. Airport Project Contracts
11. Adjournment

DATED this 21 day of November, 1989.


  
DENNIS D. EWING  
Tooele County Clerk

EXHIBIT "A"



After the conduct of other business not pertinent to the following, the following Resolution was introduced in written form by Commissioner William E. Pitt, was read and discussed, and pursuant to motion made by Commissioner Leland J. Hogan, and seconded by Commissioner William E. Pitt, was adopted by the following vote:

Aye: Leland J. Hogan

William E. Pitt

Nay: None

The Resolution is as follows:

#### RESOLUTION 89-19

#### A RESOLUTION ESTABLISHING THE TOOEELE COUNTY RECREATION SPECIAL SERVICE DISTRICT, TOOEELE COUNTY, UTAH; AND PROVIDING FOR OTHER RELATED MATTERS

WHEREAS, pursuant to a Resolution (the "Resolution"), adopted on August 15, 1989, the Board of County Commissioners of Tooele County, Utah, (the "Board") gave notice of its intention to create a special service district to be known as Tooele County Recreation Special Service District (hereinafter referred to as the "District"), having the boundaries set out in the Resolution, to provide recreation services; and

WHEREAS, pursuant to a Resolution, the Board ordered that a public hearing be held on November 7, 1989, at 1:30 p.m., at the regular meeting place of the Board at the Tooele County Courthouse, in Tooele, Utah, on the

establishment of the District and the furnishing of recreation services thereby; and

WHEREAS, public notice of said intention and of the time and place of said public hearing was given by the County Clerk through the publication of an appropriate notice in the Tooele Transcript Bulletin, a newspaper published and of general circulation in Tooele County, Utah, at least once a week during three consecutive weeks on October 10, 1989, October 17, 1989, October 24, 1989, and November 2, 1989, the first of such publications having been not less than twenty-one (21) days nor more than thirty-five (35) days prior to the date of the public hearing; and

WHEREAS, said public hearing was held pursuant to said notice at the aforesaid time and place, the Board considered all protests filed and heard and considered all interested persons desiring to be heard, and the time for filing protests as provided in Section 11-23-9, Utah Code Annotated 1953, as amended, has expired.

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of County Commissioners of Tooele County, Utah, as follows:

SECTION 1. That the Board does hereby find and determine:

(a) That public notice of the hearing upon the establishment of the District and the furnishing of recreation services thereby was given by the Clerk of this Board by publication of an appropriate notice in the Tooele Transcript Bulletin, a newspaper published and of general circulation in Tooele County, Utah, at least once a week for three consecutive weeks prior to November 7, 1989, to-wit, on October 10, October 17, and October 24, 1989, and November 2, 1989, the first

of said publications having been made not less than twenty-one (21) days nor more than thirty-five (35) days prior to the date of such hearing.

(b) That no written protests against the establishment of the District, at or prior to the public hearing, were filed with the Board or the County Clerk.

(c) That a public hearing on the establishment of the District and the recreation services thereby was held and conducted by this Board as required by law and the Resolution giving notice thereof, on November 7, 1989, at 1:30 o'clock p.m.; at the regular meeting place of the Board in the Tooele County Courthouse in Tooele, Utah, at which public hearing the Board considered all interested persons desiring to be heard.

(d) That after careful consideration of all factors involved and of all objections and protests, it has been and is hereby found, determined and declared that all property included within the boundaries of the District, as such boundaries are set out in the Resolution will be benefited by the recreation services to be furnished by the proposed District, and that all proceedings taken in establishing the District have been in compliance with law.

**SECTION 2.** That there is hereby established a special service district within Tooele County, Utah, to be known as the "Tooele County Recreation Special Service District." The boundaries of the District shall be as follows:

Beginning at the middle point of a straight line drawn between a point on the west shore of Great Salt Lake at latitude 41° north and a point on the east shore of said lake due west of the middle of the channel of the Weber River and north of the northwest corner of Kingston's Fort; thence southwesterly along said line to the west shore of said lake; thence west to the western boundary of the state; thence south to the second standard parallel south; thence east to the summit of the divide between Cherry and Faust Creeks; thence along the summit of the range next east of the Rush and Tooele valleys to the northern end of said summit; thence northeasterly on a straight line through Black Rock on the shore of Great Salt Lake to the point of beginning; excluding therefrom all territory

encompassed within the corporate boundaries of any city or town located within Tooele County, and the boundaries of the Stansbury Recreation Service Area of Tooele County.

**SECTION 3.** That the District is created for the purpose of furnishing recreation services and facilities within the area included within its boundaries, through facilities or systems acquired or constructed for that purpose through construction, purchase, lease, contract, gift, condemnation or any combination thereof.

**SECTION 4.** That the Board hereby finds and determines that neither more than fifty percent (50%) of the qualified voters of the territory proposed to be included within the District, nor the owners of more than fifty percent (50%) of the assessed value of the taxable property included within the District, have filed written protests with the County Clerk against (1) the establishment of the District, or (2) a specified type or types of services within the District.

**SECTION 5.** That any person who, within fifteen (15) days after the conclusion of the public hearing held on November 7, 1989, filed a written protest with the County Clerk against the establishment of the District or against the furnishing of a specified type or types of services within the District or to the effect that his land will not be directly benefited by the recreation services to be furnished by the District and who is a qualified voter residing within the District or whose property has been included within the boundaries of the District notwithstanding such protest, may, within thirty (30) days after the adoption of this Resolution, apply to the District Court of the Third Judicial District for a writ of review of the actions of the Board in establishing the District. Under Section 11-23-11, Utah Code Annotated 1953, as amended, the only ground upon



which a person may apply for a writ of review is that the protestor's property will not be benefited by one or more of the types of services authorized to be furnished by the District or upon the ground that the proceedings taken in establishing the District have not been in compliance with law. Persons who fail to file a written protest as provided in this section will be deemed to have consented to the inclusion of their land within the District.

A failure to timely apply for a writ of review forecloses the right of all owners of property or qualified voters within the District herein established to further object.

**SECTION 6.** That the District shall be a separate body politic and corporate and a quasi-municipal public corporation distinct from Tooele County, Utah. The District shall have all rights, powers and authority granted to such districts under the Utah Special Service District Act, Chapter 23 of Title 11, Utah Code Annotated 1953, as amended.

**SECTION 7.** That there is hereby created as the governing authority of the Tooele County Recreation Special Service District in Tooele County, Utah, an Administrative Control Board which shall consist of five (5) persons, each of whom shall be a qualified elector of the service district.

**SECTION 8.** Members of the Administrative Control Board shall be appointed by the Board of County Commissioners of Tooele County, Utah, until such time as the method of selection is changed pursuant to the provisions of Section 11-23-24, Utah Code Annotated 1953, as amended.

**SECTION 9.** The members of the Administrative Control Board appointed herein shall serve an initial term commencing on January 1, 1990. Three (3) of

the member shall serve terms of office of three (3) years and two (2) shall serve a term of office of five (5) years. After the initial appointments, the terms of office of the Administrative Control Board shall be four (4) years each and any vacancy shall be filled for the unexpired term by appointment by the Board of County Commissioners of Tooele County, Utah.

**SECTION 10.** As provided in Subsection 6 of Section 11-23-24, Utah Code Annotated 1953, as amended, the Administrative Control Board shall act as the governing authority of the Tooele County Recreation Special Service District pursuant to the provisions of the Utah Special Service District Act, with full power and authority to exercise any of the rights, powers and authority of the service district, including without limitation, all or any of the powers provided in Sections 11-23-13, 11-23-13.1, 11-23-15, 11-23-16, 11-23-17, 11-23-18, 11-23-19 and 11-23-20, Utah Code Annotated, 1953; provided, however, that the Administrative Control Board shall have no power to levy a tax on the taxable property of the service district, to issue bonds payable from taxes, to call or hold an election for the authorization of a tax or bonds, to issue interim warrants or bonds payable from such assessments, or to appoint a board of equalization under Section 17-7-17, Utah Code Annotated 1953, as amended.

**SECTION 11.** The County Clerk shall advise the members of the Advisory Board of their appointment, and the County Clerk shall fix a time and place for the initial organizational meeting of the Administrative Control Board. The Administrative Control Board shall, at the organizational meeting, after subscribing to their oaths of office, elect from their members a chairperson and secretary, and appoint such other officers as the Administrative Control Board

shall deem necessary and desirable. The Administrative Control Board may adopt such by-laws or procedural rules as it deems necessary to conduct its business.

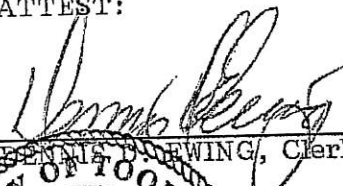
SECTION 12. That pursuant to the requirements of Section 11-12-1, Utah Code Annotated 1953, as amended, the County Commission will file a notification of establishment of the District with the state tax commission and other interested agencies within ten days after the adoption of this Resolution.

SECTION 13. That all acts and resolutions in conflict with this Resolution or any part thereof are hereby repealed.

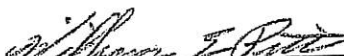
SECTION 14. That this Resolution shall take immediate effect upon its adoption and approval.

ADOPTED AND APPROVED this 28th day of November, 1989.

ATTEST:

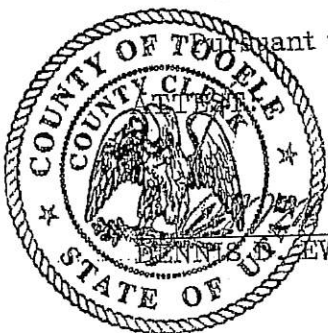
  
DENNIS B. SEWING, Clerk

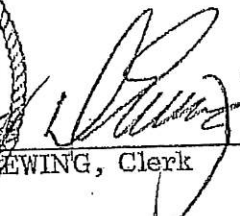



  
WILLIAM E. PITT, Acting Chairman  
Tooele County Commission

Other business not pertinent to the above appears in the minutes of the meeting.)

Pursuant to motion duly made and carried, the meeting was adjourned.



  
DENNIS B. SEWING, Clerk

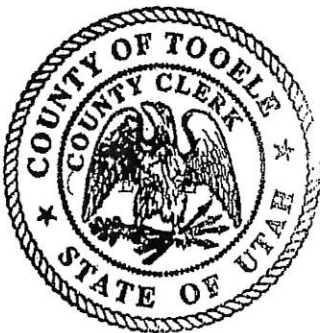
  
WILLIAM E. PITT, Acting Chairman  
Tooele County Commission

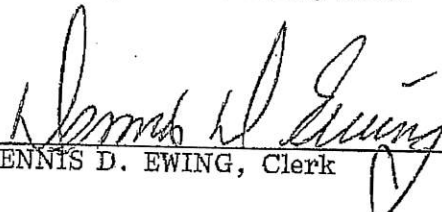
STATE OF UTAH     )  
                              :  
COUNTY OF TOOELE )

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of Tooele County, Utah.

I further certify that the foregoing constitutes a true and correct copy of the minutes of a regular meeting of the Board of County Commissioners of Tooele County, Utah, held at the regular meeting place of the board in the Tooele County Courthouse in Tooele, Utah, at 1:30 o'clock p.m. on November 28, 1989, including a Resolution, as recorded in the regular official book of minutes of the proceedings of the Board of County Commissioners, kept in my office, that said minutes were duly had and taken as herein shown, that all members were given due, legal and timely notice of said meeting, that the meeting therein shown was in all respects called, held and conducted in accordance with law, and that the persons therein named were present at said meeting, as therein shown.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Tooele County, Utah, this 28th day of November, 1989.



  
DENNIS D. EWING, Clerk